Accountancy

ESTABLISHED 1889

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Rent or Buy?

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Is "Know-How" Taxable?

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THE INSTITUTE OF CHARTERED ACCOUNTANTS
IN ENGLAND AND WALES

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The Institute of Chartered Accountants
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Professional Notes

Incorporation of Professional Firms

COMPETENCE AND INTEGRITY are the prerequisites of any professional practice. But these qualities are unfortunately not enough: they must be supported by capital. To finance a professional practice is, however, a matter of great difficulty these days. Funds have to be found for the conduct of the operations of the firm; incoming partners may have to meet their share of its goodwill; something should be available for the retirement of senior partners.

Before the war it was still just possible for many professional partnerships to meet these capital needs out of taxed profits, but the post-war level of taxation has arrested this financing process. There was some easement, to be sure, in the reforms of the Finance Act of 1956, allowing the professional man (like other self-employed) to make some provision for his retirement out of untaxed profits. Yet the hard core of the problem is intact.

In this situation, the thoughts of many practitioners in the professions have been directed to the possibility of running a practice, not by a partnership, but by a company. It is far from universally true, but it is true in very many instances, that the corporate form would reduce the net liability to tax, making it easier to provide finance for the practice out of profits.

An important paper on the subject was read to the London and District Society of Chartered Accountants last month by Mr. P. M. Christopherson and Mr. J. W. Mayo. As to the possibilities of incorporating professional firms, they emphasised that a condition of membership of a profession was that there should be no sharing or participation of profits with non-members and that personal responsibility to clients was paramount: considera-

tions that ruled out at least the company with limited liability. The Royal Commission on the Taxation of Profits and Income had argued that the professional bodies could amend their constitutions and rules to allow members to practise in corporate form. But that course was fraught with much difficulty, even confining attention to the unlimited company.

However, speaking generally, if a professional firm formed a company to provide specialised services for clients, distinct from the main professional activities of the firm, or to provide essential services—such as staff, offices, equipment—for the firm itself, then there seemed to be no conflict with the rules and byelaws of governing bodies or infringement of professional etiquette. Mr. Christopherson and Mr. Mayo then referred specifically to the formation by firms of Chartered Accountants of companies to act as executors and trustees, to provide secretarial and registration services, and to conduct work in management accountancy. The conditions to be satisfied by its members for the formation of such companies to act as executors and trustees were laid down by the Council of the Institute of Chartered Accountants in England and Wales in a statement issued in 1945.

As to the incorporation by a firm of Chartered Accountants of a service company to provide staff, premises and so on for the firm—the company being remunerated by participation in profits or a fee—Mr. Christopherson and Mr. Mayo gave it as their view that it could "at least be strongly argued" that there would be no infringement of the fundamental Rule 20 (2) of the Royal Charter, forbidding a practising member (without the consent of his client) from sharing profits with any person other than a public accountant or a regular employee of the member—for, construing "person" as covering a corporate body, the service company would be in the regular employment of the firm.

It might well be the largest firms in the professions, continued the lecturers, which would create service companies to provide staff, offices and the like—provided the professional body allowed. But was there, they asked, any reason why, if the service company was permitted in principle, such a company should not be formed and run by a group of smaller firms?

Mr. Christopher and Mr. Mayo also gave an exhaustive analysis of the tax position of firm compared with company (or firm-cum-service company), exploring all the intricacies of surtax directions versus profits tax and similar *pros* and *cons* and deducing that incorporation would usually lead to a saving of tax.

The Bank Rate Probe

THE RIGOROUS INQUIRY of the Bank Rate Tribunal has produced a complete vindication of all who were implicated, and of the City of London. The unqualified findings of the tribunal, that there was no prior disclosure by anybody to anybody of the rise in Bank Rate last September, and no improper use of any information of any kind by anybody, is a clean certificate that compensates for the unseemliness surrounding both the calling of the tribunal and the debate in the Commons on its report.

One issue that is still not finally settled is whether it is on balance a good thing or a bad that there should be part-time directors of the Bank of England who have outside directorships also. It is as well that the Government refrained from pronouncing conclusively on this point amid all the political passion, but left it to the Radcliffe Committee to consider in a calmer atmosphere. The tribunal has shown that it is indeed possible for information gained by a responsible person in one capacity not to be used in another. As Mr. Butler said in the House, professional men and others are constantly in a comparable position, and they succeed in carrying their dual role with no suggestion of any untoward consequences. On the other hand, if it could be arranged for decisions on a change in Bank Rate to be kept to an inner circle of full-time directors—the "Committee of Treasury" in amended form—part-time directorships could continue without placing the part-time directors in what might, solely because of the holding of the inquiry by the tribunal, be an invidious position.

It is to be hoped that the Radcliffe Committee will, in any event, go further than to consider this question of the directorships. Far from having too much influence in financial policy, it is clear that the Bank of England, with all the knowledge and *expertise* on which it can draw, has far too little influence. It is too often merely a small voice in committees at Great George Street that are composed overwhelmingly of Treasury officials.

Bank Charges

JUST AS *Marks and Spencer* were reaping a well deserved harvest of congratulatory comment on their price reductions (made possible largely by streamlining office work) the Scottish banks announced an increase in their charges for operating current accounts. Bank expenditure, in Scotland as in England, has been rising steadily. Notably, the salary bill has gone up steeply while the credit squeeze means that the increased profitability of lending cannot be exploited to anything like the extent the banks would like. The deposit rate has gone up, as well as loan interest rates, hurting the Scottish banks, with their higher percentage of deposit balances, more than the English.

The new basis for bank charges in Scotland is to be ninepence per entry (whether it be a credit or a withdrawal), with a minimum of 12s. 6d. a half year and an offset for the credit balance on the account. The scale compares with the previous charge of sixpence for every cheque paid, no charge being made for credits paid in. The new basis is in line with the method of charging adopted in English banks, especially in the south; in some English banks, mainly in the north, charges are based on turnover.

But comparison between England and Scotland in this matter can be only of the basis of calculation, not of the amounts levied. For English banks have no published scale of

commissions; when English bank charges increase there need not be (and there is not) any public announcement of the fact. Whether such an increase is in immediate prospect nobody knows; some of the bank chairmen have again spoken of rising costs, and the potential economies of electronics are still a long way off.

It is generally believed that the basic charge in England has for some years been one shilling per entry (with an offset for credit balance, so that a sufficient balance ensures a charge-free account), but it is not possible to be dogmatic about it. It has been said that identical accounts maintained at a number of banks or even at a number of branches of the same bank will produce that number of different charges. Perhaps the main interest to English readers of the Scottish announcement is its reminder that in this matter as in so many others they order things differently in Scotland. The Scottish banks in fact include almost every conceivable banking service in their published scale of charges, so that it is usually possible for a customer to know in advance how much his banking account is going to cost him. In England it is a simple enough matter to discuss charges with one's bank manager, even if it is usually a little more difficult to tie him down to exact figures; but few customers even discuss their charges and fewer still press for an exact reckoning.

It is tempting to conclude that the Scottish system is better than the English; it is demonstrably more businesslike, and it leaves less room for dispute. But it is likely that smaller customers, at least, would suffer if the English banks were to follow the Scottish example. While charging remains an art rather than a science bank managers can temper the wind to the shorn lamb, and although no one can know how much tempering is done, and how often the small account is nursed in the hope that it will become a larger one, it is almost certainly true that customers of the type that most often writes letters to the newspapers about bank charges are often being undercharged rather than overcharged.

Hundredth Revenue Report

THE REPORT OF the Commissioners of Inland Revenue for the year 1956/57 (Command 341, H.M. Stationery Office, 9s. 6d. net) is the hundredth made.

Before the usual very detailed statistical tables there is given in a score of pages a useful outline of the direct tax system of the country. There is also a description of the organisation of the Inland Revenue, showing the division of work into branches. At March 31, 1957, the total staff of the Department was 51,466, of whom 32,813 were under the Chief Inspector of Taxes, 5,517 were engaged on collecting, 1,435 were in the Office of the Special Commissioners of Income Tax, 822 were in the Estate Duty Offices and 795 in the Secretaries' Office.

One of the statistical sections most useful as a source of reference for the accountant is that in which there are shown the gross trading profit, depreciation allowances, other income, dividends, interest and royalties, profits tax, income tax and the balance, all expressed as percentages of turnover, for each of 28 industrial and trading groups.

Incorporated Accountants' Hall

AFTER NEARLY THIRTY years as the home of the Society, Incorporated Accountants' Hall on Victoria Embankment is to change hands. The possibility of continuing to use the Hall as part of the headquarters of the enlarged Institute was considered by the Council, but unfortunately had to be ruled out on practical grounds.

Not only Incorporated Accountants who now become members of the Institute, but also many of its members who have in past years admired the Hall as visiting Chartered Accountants, will be saddened by the thought that it is now to have new owners and new occupants. But taking all account of feelings of attachment to the attractive building, with the associations it has had over the years for members of the Society, the decision to give it up was the only practicable one to be reached.

The arrangements for the sale of Incorporated Accountants' Hall are with St. Quintin, Son and Stanley; Chartered Surveyors, and tenders have been invited, for submission by March 24.

New Ideas in Building Society Finance

BORROWING SHORT AND lending long, as the building societies do, is such an obvious infringement of one of the first principles of finance that it is always a cause of surprise that the building society movement has grown to such massive proportions without having had to make major modifications in its financing methods. Certainly, there are important safeguards if liquidity and reserve ratios are maintained at high enough levels; and again, shares in the societies, as distinct from their deposits, are subject to a short period of notice before withdrawal. Yet it seems extraordinary that until now there has been no move towards longer-term borrowing by any of the large societies, though precedents have indeed been established by smaller ones.

Such a move has now been made, however, by one of the largest of the societies, the *Leicester Permanent*, which invites "fixed term deposits" at 4 per cent. per annum, tax paid. The deposits are for a fixed term of three years in multiples of £100, up to a maximum for any single investment of £2,500. Pass books will not be used, but a certificate will be issued for each amount invested. Repayment will take place three years from the date of the investment and withdrawals cannot be made during its term, unless possibly by executors or administrators on behalf of deceased depositors. Interest is payable half-yearly.

One interesting possibility is that since the deposits may be transferred from one person to another, some liquidity may be given to them if a market can be established. Perhaps there are here the beginnings of a development which may eventually make the building societies no longer the conspicuous exception from the financial institutions holdings in which are exchanged in the capital market.

Progress of Integration

MORE THAN HALF the members of the

Society of Incorporated Accountants have now been admitted into membership of the Institute under the integration scheme. At the Council meeting of the Institute this month 4,945 applications were acceded to, bringing the total of admissions to 5,930. It is expected that the bulk of the remaining members of the Society will be admitted to membership of the Institute at the meeting of its Council on March 5.

It has been decided by the Council, in amendment of its decision of last August (see ACCOUNTANCY, September, 1957, pages 373–4) that all articled clerks of the Society and bye-law candidates who at November 2, 1957, were with a member or firm of the Institute (including an Incorporated Accountant admitted into membership under integration) may be regarded as supernumerary to the complement of four articled clerks while remaining with the member or firm. The full wording of the decision is on page 91 of this issue.

On pages 92–93 is given a statement of the Council relating to the position under integration of certain articled clerks of the Society and bye-law candidates.

Wages by Cheque

HAVING SUCCESSFULLY PILOTED to harbour his reform of cheque endorsements, Mr. Graham Page, M.P., is now embarking upon another expedition: the reform of the Truck Acts. These memorials to a vanished era, when the wage earner needed protection against unscrupulous employers, came into prominence a year or so ago, when it was realised, after one or two experiments, that payment of wages by cheque might be illegal under the terms of the Acts. The legislation was designed to prevent the abuses of payment in kind, through the company shop; it provided for wage payments in what was in those days still hard cash. It is generally agreed that the anti-truck purpose is not at all frustrated when wages are paid through the machinery the banks provide, but in law any departure from cash may be an infringement of the letter if not of the spirit; and few will quarrel with Mr. Page's view that the matter should be put beyond doubt.

His Private Member's Bill in fact goes only part of the way on the main point, but would also tidy up some other anomalies. It would permit the payment of wages by transfer to an account specified by the employee, thus calming the fears of shopkeepers that they would all be turned into bankers, obliged to carry a larger cash reserve to meet the cheques "cashed" by shoppers and to pay increased bank charges for the collection of the cheques. Mr. Page envisages either transfer by order or the issue of cheques crossed specially to the named account.

The Bill goes on to authorise the holding over from one wage period to another of odd shillings and pence, so that payment can be in notes only, subject to the employee's consent—a procedure (contrary to that already in force in some businesses, whereby the rounding-off is upwards) unlikely to secure the consent; the payment of employees at a distance by postal order or money order; and the operation of profit-sharing schemes in which the employee has a right to the share—Mr. Page points out that non-contractual or bonus schemes are already legal.

Employers, one may assume, are likely to support the new measure. On their past record the trade unions will probably say no to the main point of the Bill, partly because they think a majority of their members would find dealing with banks an embarrassing (and perhaps expensive) business, partly because they know how desirous many of their members are to keep their wages secret from their families.

The banks, too, view truck reform with some reserve. Despite the obvious potential influx of new business, they are believed to view with alarm the dislocation of their branch offices that might follow if they were to be flooded with wage cheques. Mr. Page's Bill is not likely to produce a flood, for it postulates a banking account as a prerequisite of the reform. But the question is thus left open how many wage earners have, or can easily nominate, a banking account. The corollary is plain enough; if only a minority of work-people can or will accept payment into their banking accounts, while the majority do not have or want an account at all, then how much useful work will the measure do?

Auditing in a Novel Setting

ON DECEMBER 30, 1933, the senior London partner of a firm of Chartered Accountants calls at their Paris office to warn his partners of a rumour of a fraud in a bank, the accounts of which they are about to audit. The story of the efforts to detect the fraud provides the main theme of a new novel* by a former Scottish Chartered Accountant, who leads us into the lives and homes of an array of memorable characters depicted with rare insight.

Just as Priestley used the office in *Angel Pavement* as a focus of a larger picture of London, so the author gives us a vivid impression of Paris as seen through the eyes of the auditors' staff. There is another striking similarity in the success with which Mr. Marshall recaptures the bitterness of the 'thirties, with its salary cuts and constant awareness of unemployment.

The timing must inevitably influence the description of conditions in the accountancy profession—and the author seems far more fully in sympathy with the staff in the audit room than with the manager or the partners. It may be difficult for the general reader to realise how much change the last quarter century has brought to accountancy and it would be a pity if anybody were to be influenced by the book in weighing up what the profession offered for a young man today.

But if the times have changed much, Paris as described in this book has changed but little, and the vortex of human emotions not at all. General readers will vary in ability to follow the technicalities of the audit but certainly accountant readers will thoroughly enjoy its intricacies. And while every accountant will want to write his own report on *The Bank Audit*, all will certify that the tale is beautifully told and holds attention to the end.

* *The Bank Audit*, by Bruce Marshall. Pp. 384. (Constable: 18s. net.)

H.P. Surveyed

FAR FROM ENOUGH is known about hire purchase in this country. Only recently did the Government begin to collect and publish statistics about hire purchase transactions. The statistics are not full and they lag badly behind the information given about consumer credit in the United States and elsewhere. The lack of facts is to be regretted. So, too, is the lack of full discussion. Thus a book that collects facts and states opinions is good to come by, and a welcome is extended to *Hire Purchase in a Free Society*, edited by Ralph Harris and Arthur Seldon and published by the Institute of Economic Affairs at 7s. 6d.

The factual analysis of the book is good and comprehensive. Its opinions must be recognised as being much on the side of those who conduct hire purchase finance and business: it is not so objective as it might be on the subject of hire purchase charges and it speaks with a muffled voice about controls. But it does, for instance, raise the controversial issue whether or not the joint stock banks in this country should follow some Scottish banks by entering into hire purchase finance.

Perhaps the chief claim the authors may make is that they have produced a book of reference setting down the facts as far as they are known. An example of particular interest to accountants is a table giving the sources and uses of funds by the hire purchase finance houses. Part of the table reads:

	1955/56 *Percentage*	1956/57 *Percentage*
Issued capital *plus* free reserves	15	17
Prior charges	4	4
Deferred income *plus* tax reserves *plus* other liabilities	16	16
Deposits	32	38
Bank loans *plus* bills *plus* acceptances	33	25
	100	100
Hirers' balances	92	89
Liquid assets	2	4
Other assets	6	7
	100	100

There is a wide variation between the accounts of the finance companies making up this analysis. But the low liquidity ratio is striking. There is little bad debt experience in present-day transactions and there is a continual turnover of funds as monthly payments are made, old contracts completed and new ones entered into. It is a liquidity ratio of expansion. But—and the question is put in no niggling spirit—would liquid funds be adequate in a period of contraction? The more that is revealed about hire purchase transactions and the more they are discussed, the better the answers that can be given to such questions.

Twelfth Summer Course

AS ANNOUNCED IN our last issue, the summer course of the Institute will be held at Christ Church and Merton College, Oxford, from September 4 to 9, 1958. Application forms have been sent to members of the Institute. The closing date of application is April 30. There will be formal and informal addresses, and group discussions promoting that free exchange of views and experiences which is an essential feature of the course. The programme will also provide for recreation and social activities. The formal papers to be presented are *Some Taxation Problems of Particular Interest in the Smaller Practice*, by Mr. B. R. Pollott, M.A., F.C.A.; *Shortcomings of the Companies Act, 1948*, by Mr. C. Romer-Lee, M.A., F.C.A.; *Work Study and Accountancy—The Investigation, Planning and Control of Industrial Processes and Business Operations*, by Mr. C. T. Gould, M.I.E.E., A.M.I.P.E., F.I.I.TECH., Sir Harold Howitt, C.B.E., D.S.O., M.C., D.C.L., F.C.A., and Professor A. M. van Rietschoten, immediate past President of the Nederlands Instituut van Accountants, will give informal addresses on subjects of their own choosing.

Rating of Charities

THE RATING OF charities has become confused. The appointment last month of a committee of inquiry is a step that might in a reasonable time clear up the situation.

The Scientific Societies Act of 1843 permitted the exemption from rates of property belonging to any society instituted for purposes of science, literature or the fine arts exclusively. But, as the London Library recently discovered, a long-standing exemption under the Act may not stand up to a challenge by the Inland Revenue.

Again, an aim of the Rating and Valuation (Miscellaneous Provisions) Act of 1955 was to ensure that national reassessment by the Inland Revenue did not produce sudden increases in the rates payable by the many organisations for charitable, religious, educational or social welfare purposes which enjoyed concessions in the assessments previously made by the local rating authorities. But these authorities have found the provisions of the Section imprecise in interpretation and thus difficult of operation.

Section 8 applies to hereditaments occupied for the purposes of an organisation not established or conducted for profit and whose main objects are charitable or are otherwise concerned with the advancement of religion, education or social welfare. It also applies to certain almshouses and playing fields. For the first year of the new valuation list (1956/57) the rates chargeable must not exceed those charged for 1955/56, and the rates in future years must be reduced in the same proportion as the 1956/57 rates are reduced. This limitation is to cease on notice being given by the rating authority. Power is also given to the rating authorities to reduce or remit altogether the rates on hereditaments within the Section.

But there is doubt about whether certain premises are or are not within the Section. Perhaps the most open questions are the interpretation of "social welfare" and the precise meaning of the phrase "occupied for the purposes of." A number of authorities have obtained Counsel's opinion and the results have not always been consistent.

The committee, which was appointed by the Minister of Housing and Local Government, has as its chairman Sir Fred Pritchard, M.B.E., formerly a judge of the High Court.

Shorter Notes

P.D. Leake Trust
The report and accounts of the P. D. Leake Trust for the year ended October 31, 1957, was issued last month. The trust was set up under the will of the late Mr. P. D. Leake, a member of the Institute, and the Institute is the trustee. Mr. W. L. Burrows, F.C.A., the chairman of the P. D. Leake Committee, recounts the appointment of Professor J. R. N. Stone, C.B.E., M.A., as P. D. Leake Professor of Finance and Accounting in the University of Cambridge; the appointments of Mr. A. A. Pakenham-Walsh, M.A., F.A.C.C.A., and Mr. L. Wilk, D.F.C., M.A., F.C.A. as P. D. Leake Research Fellows, the first in the University of Oxford and the second in the University of Birmingham; and the financing of a research project of the Royal Institute of Public Administration on *Budgetary Practices in Public Authorities*. The report states that while the Professorship and Research Fellowships continue, the committee is not able to contemplate any further long-term commitments but in appropriate circumstances would be able to consider making short-term grants of small amounts for other purposes. At October 31, 1957, the accumulated income fund was £43,401, after providing £5,834 to reduce investments to market value. The capital fund, taking securities at probate value or cost, was £114,403 (at middle-market values the fund would have been £155,970).

Capital Issues Control
The Government is considering the plugging of loopholes in the control of capital issues. The particular loophole mentioned in the Parliamentary question eliciting the announcement is that through which a company possessing liquid assets is taken over by way of a share exchange.

Double Estate Duty on Near-Simultaneous Deaths
Last month we reported and commented upon a Private Member's Bill aimed at the virtual prevention of double estate duty when two people, one the inheritor of the other, die from the same accident. The Government has now announced that it supports the purport of the Bill, but not the measure as drafted; it proposes to bring in the reform itself in the next Finance Bill.

Australian Convention of Accountants
The Australian Society of Accountants is holding an Australian Convention of Accountants in Sydney, New South Wales, from May 5 to 8. There will be a number of technical sessions and social functions, with sporting recreation. Any members of the Institute of Chartered Accountants in England and Wales who may be visiting Australia at the time of the Convention are invited to attend.

Working Conditions in Offices
The Offices Regulation Bill, which sought to lay down standards of conditions of employment in offices, has failed to obtain Government support and, therefore, as a Private Member's Bill will almost certainly die. The Government expressed itself as sympathising with the general objects of the Bill, but held out no prospect of early legislation.

State Pensions
Occupational pensions schemes cover nearly a half of the male working population and more than a third of the working population of both sexes. The major issue in any large-scale extension of the State scheme—no matter the political party proposing it—is the position of the private schemes. In a statement issued last month by the Councils of the Institute of Actuaries and of the Faculty of Actuaries in Scotland it is urged that the need for the co-existence of private schemes with any extended State scheme must be kept prominently in mind. The statement points to a main difficulty. Supplementary pensions provided by the State to those outside private schemes should be met by contributions, but people in private schemes should be relieved of the burden of double contributions. Arrangements for this relief would, however, pose complex problems, especially if there were any element of subsidy in the State scheme; in some instances, indeed, the continuance of private schemes might, concludes the statement, become impossible.

Registering Remaining Restrictive Trading Agreements
By March 31 of this year all restrictive trading agreements should be on the register kept by the Registrar of Restrictive Trading Agreements, for a second and final Order (S.I. 1957, No. 2158) requires agreements of unregistered classes to be placed on the register not later than the end of March. Agreements to which the second Order relates are those restricting the quantities or descriptions of goods, processes of manufacture or areas of supply. If any such agreement is abandoned before March 31, it need not be registered; if the agreement is to be registered in an amended form, the alterations must be made before that date.

The Red Book
The 1958 edition of the *List of Members* of the Institute of Chartered Accountants in England and Wales, distributed last month, contains 20,120 names of members and their addresses. There are also given all the firms composed of or containing members of the Institute. First there is an alphabetical list and then a topographical one. The topographical list runs from Abadan to Zurich, through Bangalore, Cali, Dar-es-Salaam . . . Wahroonga, Yokohama. Names of members in the *List* for next year are likely to number about half as many again as in the present edition, for in addition to the natural growth in membership the integration scheme is expected to bring something approaching 10,000 Incorporated Accountants as members of the Institute.

National Insurance Explained
Coinciding with the coming in of new rates of benefits and contributions, there has been published a new edition of *Everybody's Guide to National Insurance*. Under sixty heads it explains briefly the operation of the system and gives all the main details. It is obtainable from H.M. Stationery Office at 6d. net.

"The Accountant" Earthbound
We announced last August (*The Accountant Airborne*, page 338) that a new aircraft called "The Accountant" was to be made in this country by *Aviation Traders*. It was to be an economical turbo-prop aircraft intended largely to be owned and used privately by business concerns. The prototype has been flying since last summer but work on the development and production of the aircraft has now been stopped through lack of finance and facilities.

Bad Typist or Pointed Critic?
"The typists in this business are hopeless. I sent a draft letter for typing, and got it back typed but headed 'daft letter'."

EDITORIAL

Accounting in and for Management

MANAGEMENT accounting is a dominant topic of the day in accountancy circles—but not in accountancy circles only. Managers are showing a rousing interest in the services the accountant has to offer them. For instance, two heavily attended conferences, one in London and the other in Chester, have recently brought the management half of management accounting in spirited interchange with the accounting half. The London conference was called by the North London Committee of the British Productivity Council and the Chester one by the Liverpool Society of Chartered Accountants in conjunction with the Merseyside Productivity Association. The "productivity" element in the sponsorship is indeed symptomatic.

Interchanges of this kind are of great value—primarily in spreading the gospel among the managers, but also secondarily, let it be admitted, in fostering the evolution and refinement of the techniques of accountants.

At the London conference, one of the papers, by Mr. F. C. de Paula, F.C.A., F.C.W.A., was evangelistic in the sense that it surveyed the ways in which managers could learn about management accounting. The subject, said Mr. de Paula, divided into two areas, cost finding and expenditure control. To paraphrase him in metaphors, higher management had to be able to find its way around in both areas, once they were mapped and signposted by the accountant; supervisory management need only know the broad highways of cost finding but must be familiar also with the roads of whatever class, and even with the footpaths, of expenditure control. Sales staff and the design and research teams, who were to be distinguished both from higher management and from supervisory management, must know the terrain of cost finding in detail.

There were four main methods of education—practical experience, exemplified most of all in being a member of a cost reduction committee; studying and conference-attending; training within industry; and formal training at technical colleges and other such places.

A paper by Mr. B. A. Maynard, M.A., F.C.A., A.C.W.A., evangelised in a rather different sense. Mr. Maynard was arguing the case for installing systems of budgetary control and standard costing, sometimes with built-in marginal costing, in the medium-sized concern. In other words, for extending to the generality of British industry what is already commonplace in the leading companies, but still has something of a luxury air about it for many lower down the scale. The paper showed how the system must be adapted to the idiosyncracies of the business but how the basic techniques were everywhere uniform.

In the other paper in an accountants' trilogy, the author, Mr. C. H. Nicholson, F.C.A., was also an evangelist. Among the lessons he read was the salient need for communicating information to a particular manager in a form designed to suit his particular requirements. The term "manager" is, after all, a widely generic one: it comprehends the shop foreman at one pole and the managing director at the other pole. Related to this question of the design of communicating documents is the development of "management by exception": only deviations and aberrations from what are established as the standards in the particular manager's domain need be reported. A further lesson—and Mr. Nicholson did a service in spelling it out—is that management accounting if it is to prosper usually demands that the chief accountant, while able to call in aid other executives, is ultimately responsible for it.

A contribution to the symposium by an engineer urged the need for continually going to the shop-floor, to the stores, to the drawing office—in general, to each of the individual operating units of the organisation—for the setting of standards. Probably there is here a needed corrective to a tendency that exists among some accountants to leave the standards to be set by a budget committee sitting in something like splendid isolation from the men on the job. In another paper, by another engineer, emphasis was laid upon the place of standards and budgets in terms of time, as well as those in financial terms—sometimes instead of those in financial terms. Thus for the foreman or the chargehands hours are the operative units. The point is far from novel, but many industrial accountants, equipped with quite elaborate systems of standard costs, budgets and interim reporting, if driven to the counting-house wall would have to admit that, once deprived of their £ signs, they could produce only incomplete information for management. Time entered the debate in another way also, for the familiar plea was several times to be heard that between managers and accountants speed in producing figures is the essence of the contact.

The response to these two conferences—we propose to say more of the Chester one in our next issue—suggests that the times are ripe for other similar meetings of accountants and managers in the regions. The story is told of the managing director who, asked ten years ago whether he had any system of management accounting in his business said, "What on earth does that mean?" Asked five years ago, he replied, "We are installing it." Asked again this year he said, "Oh, that, we've always had it." In five years from now the number of blasé managing directors ought to be much multiplied.

Many young accountants are taking up O. & M. work—and others will surely follow. What is required of them? What are the objectives? How does the O. & M. man go about his job?

The Accountant and O. & M.

O. & M. MEANS THE objective and analytical study of office work with the aim of improving organisation, methods and performance. The expression was coined by H.M. Treasury whose Organisation and Methods Division (founded in 1941) investigates the efficiency of government Departments. The term O. & M. is peculiar to British business. In America, similar studies are given such titles as "Systems and Procedures" or "Methods and Procedures" or "Systems and Budgets" investigations.

The purpose of this article is to point the need for Organisation and Methods work and its advantages, and to describe how an investigation is conducted and its findings implemented. Further, to show what special knowledge and aptitudes the accountant must possess or acquire if he enters this absorbing new field of work, in which his colleagues will include not only fellow accountants but also arts graduates, economists, barristers, statisticians, and others whose training and background experience is quite different from his own.

The Need

At the last census, in 1951, there were more than two and a quarter million clerks and typists in the United Kingdom—an increase of two-thirds over the figures twenty years earlier.

Numerous reasons for the increases can be adduced—the expansion of the civil service through the National Health Service and other State activities; the post-war increase in the export trade, involving voluminous documentation; the deduction of income tax from wages by P.A.Y.E.; and many other factors. But it is not easy to assess whether in a particular context a clerical staff of a particular size is really necessary. Measures of the productivity of clerical work are difficult to establish and the attempt to establish them has rarely been made. They cannot be calculated by reference to output or to the number of works operatives, since the need for clerical work varies with different conditions of production. However, since clerical costs form a growing proportion of the total costs of most businesses, it is essential that, no less than factory costs, they should somehow be kept under review.

O. & M. is the management tool evolved to meet this situation.

The Advantages of Independent O. & M. Studies

The senior officials of a department rarely have time to make a thorough study of all the details and procedures for which they are responsible. In contrast, the Organisation and Methods specialist has the following advantages:

1. O. & M. work is his full-time job. He can study the work of a department without bearing any responsibility for the normal routine.

2. He comes fresh to the work and can more easily make an objective study of the activities of a department.

3. He is better able to see the department in the perspective of the whole organisation.

4. He has had training and experience in the technique of conducting investigations, and is familiar with alternative methods which have proved successful elsewhere.

5. He has a sound knowledge of office machinery and equipment, and of new developments which are constantly occurring.

The Accountant's Scope

Some accountants choose to do O. & M. work: others have it thrust upon them! The accountant in the profession is frequently approached by his clients for his advice about new accounting methods which they propose to introduce. It is essential that he think constructively, paying prime regard to the design of a system to meet the requirements of his client most economically and efficiently. He must not be concerned merely with maintaining a system which will enable him to preserve his traditional audit programme unchanged, but must be ready to adapt himself to serve the new accounting system.

Several large professional firms of accountants have

created specialist departments to undertake O. & M. work for their clients. Such departments offer some of the same services as are offered by the firms of management consultants, whose activities have become prominent in post-war years, though they had begun earlier. It may be mentioned in passing that consultants include accountants on their staffs as well as engineers, mathematicians, economists, and others. They do not, however, employ their staff as specialists, but select them for their general administrative ability, and call upon them to investigate and advise upon management problems of all kinds.

The accountant in industry, especially in his early years after leaving the profession, may well spend much of his time in O. & M. work, designing new systems and supervising their installation. Many large companies and groups of companies have formed their own O. & M. departments and staff them partly with young qualified accountants.

Qualifications

A specialist qualification is of less value than a mind which has been disciplined by specialist training. There must certainly be no narrow specialist outlook.

Undoubtedly, the accountant has one salient advantage over his O. & M. colleagues—his audit experience should have given him knowledge of a wide variety of office and accounting methods, knowledge which they are unlikely to possess. In common with them, he has undergone a training which should have developed his memory, powers of logical thought and analysis, and the ability to express his views clearly and convincingly.

On the other hand, the criticism is often made that many accountants are "historically-minded" and can do no more than examine and describe an existing system. They lack, it is alleged, that power of imagination and original thinking essential for the development of new and better methods of working. Something can often be done to develop the required capacity by reading business magazines and by attending business efficiency exhibitions, demonstrations of new office machinery, lectures, training courses and conferences.

The O. & M. man must be courteous, patient and tactful, for he must gain the co-operation of the managers and staffs of the departments whose work he reviews. However excellent his proposals may be, he will achieve nothing if they are not accepted. He must be able to "sell" his ideas.

Initiating an Investigation

Organisation and Methods work is performed by highly skilled staff and the costs are high. Before a detailed investigation is undertaken an O. & M. adviser should hold a preliminary conference with the prospective client and make sufficient enquiries to ascertain that the benefits likely to be obtained are worth the expenditure.

The matters which must be taken into consideration are set out below. In practice they cannot be considered in any precise sequence or separately from one another. Here they are given *seriatim* only to facilitate definition and description.

1. *The scope of the investigation.* The O. & M. adviser must find out what he is required to investigate, to whom he is responsible, and with whom he will co-operate. The limitations beyond which he must not proceed without obtaining further instructions must also be defined.

2. *Time and costs.* The urgency of the investigation and the time within which it can be completed must be discussed. The time to be occupied must also be considered in relation to the estimated cost of the survey.

3. *The purpose of the investigation.* The reason why the investigation is required must be fully known. It may be that the existing procedure has been in operation for many years and it is recognised that a different method is necessary to meet the requirements of modern management control, to handle an increased volume of business or to achieve economies. Reduction of errors and fraud may perhaps be desired: then the nature of the errors occurring must be ascertained and their frequency measured or particulars of actual or suspected frauds obtained.

4. *The nature of the business or operating unit.* The The O. & M. adviser must know (*a*) its functions; (*b*) its place in the organisation of the business as a whole; and (*c*) its present organisation and methods, in outline.

5. *Generally.* The results which the client expects from the investigation must be clearly appreciated, and if necessary he must be disillusioned. Independent advice is often sought by businessmen who know what their essential requirements are but have not the time available themselves to introduce the changes and need outside help for the purpose. The O. & M. adviser must assess the soundness of his client's ideas, and should not commit himself in advance to designing a procedure which may not turn out to be practicable.

If the lines along which he is required to conduct his review are laid down for him, he must consider whether he is likely to be able to conduct a successful inquiry within these restrictions or whether its scope should be broadened. His advice may, for example, be sought on the reduction of office administration costs by the introduction of new clerical methods, but it may be that the methods could not be brought in unless radical changes are first made in the organisation structure.

On the other hand, when the client has only vague ideas of what he expects from the investigation, the adviser should be cautious about undertaking the work. The real source of the problems of the business may be lack of managerial ability and initiative, a failing which no advice, however sound, can remedy (unless it proposes a change of management!)

The problem may be such that an investigation of clerical organisation and methods is unlikely to produce any satisfactory solution, or can only define the true nature of the problem and assess its proportions. The solution may depend upon the use of other techniques, such as operational research. If the O. & M. adviser is a member of a firm of industrial consultants, some of his colleagues will probably be able to apply these techniques in co-operation with him. The professional

accountant advising his client or the industrial accountant working in the O. & M. department of his company is unlikely to possess the necessary knowledge, but he should know enough to be able to understand the circumstances in which the techniques could be used effectively.

Planning the Investigation

When the O. & M. adviser has accepted an assignment he must plan the programme of his investigation, somewhat as follows:

1. The purpose for which the department exists must be constantly borne in mind, and its organisation and methods must be designed to achieve this purpose.

2. Organisation should next be studied. By "organisation" is meant the relationships among the various parts of the work and among those engaged on it.

3. Methods should be examined only after the organisation of a business or department has been studied, because whatever the methods used, they should be designed to serve the organisation. If the organisation is right, the system will usually fall into place.

By proceeding in this manner, and by careful selection of the most suitable O. & M. techniques, the time taken for the investigation and its cost will be kept as low as possible. The O. & M. adviser must always avoid "over-investigation" and the accumulation of irrelevant information which wastes his own time and that of the business investigated.

Examining Present Organisation and Methods

The examination is conducted through interviews with the manager of the department and members of his staff. Notes are taken; copies of available information, samples and specimens are obtained; measurements and counts are made. Interviewing can sometimes be supplemented by the issuing of questionnaires to the staff.

The matter to be examined and the detail in which they are examined differ in every investigation. A comprehensive survey of O. & M. investigation techniques is given here in outline to cover every aspect of the organisation and methods of an office, namely: personnel; forms; reports; filing; machinery and equipment; floorspace; procedures.

The techniques for studying these matters can be classified under four general headings: *Lists and Inventories: Assessment of Work Loads: Analyses*, for which a certain amount of training is required; and *Summarising* the facts discovered.

Lists and Inventories

These are simple fact-finding surveys in which the following information is obtained:

Personnel—A list of all staff employed, their positions and titles.

Forms and Reports—Lists of the titles of all forms and reports received, handled and raised. A sample copy of each, with specimen entries, will be obtained at the same time.

Filing—A list of filing systems, indexes and registers (of form sequences).

Machinery and equipment—An inventory of all furniture, office machines and mechanical aids with brief specifications.

Floorspace—A plan of the offices drawn to scale showing the layout of furniture and equipment.

Work Loading

This is the ascertaining of the volume of work done, the time taken and the cost. It is sometimes desirable to use advanced techniques of statistical analysis, but even when only simple measurements are made they must be based on logical statistical principles. Suitable units of measurement must be chosen, samples taken must be representative and must be taken over a representative period. Periodical peaks of work must be allowed for. When possible, for accuracy the same information should be obtained from more than one source. All factors affecting the conclusions to be drawn from the information must be taken into account. The quantities to be measured would include the following items, given as examples:

Personnel—Working hours spent by each class of labour on each kind of work (this information may be ascertained by simple enquiry or by asking workers to keep time charts for a certain period) and rates of pay.

Forms—The number used over a period (counting can often be done very quickly by reference to first and last sequence numbers, or by taking the number of items listed on a control sheet) and printing costs.

Reports—The frequency with which they are issued and to whom, and the number of copies.

Filing—The number of current files, period of retention, cost of files and transfer cases.

Machinery and equipment—Output capacity (for example, of accounting machines) and capital, running and maintenance costs.

Analyses

Many techniques are available for the analysis of office work in greater or smaller detail. They vary from methods little more detailed than the work loading measurements already described to the highly skilled practices of factory work study, adapted for the measurement of clerical work.

Personnel—Charts are drawn in the same form as a "family tree," to illustrate the organisation structure and the lines of responsibility descending from management. For individual employees flow process charts may be prepared, showing activities in diagrammatic form by means of a number of symbols. If great detail is necessary, time and motion studies using stop watches, cine-cameras and the paraphernalia of factory work study may be made, but it rarely happens that such studies can be usefully conducted in the office.

Forms—Flow process charts, similar to those prepared for employees, may be drawn to represent the procedure for handling a form. Simple charts may show the distribution of copies of multiple part forms among departments and sections.

Machinery and equipment—Their use is usually ancillary to the activities of employees and the processing of forms. Cyclometers and other counting devices can be attached to them for measuring output of forms from a duplicator, or number of key tappings on an accounting machine. When an operator is using a costly machine time and motion study may be useful.

Floorspace—Movement of staff about the office may be observed over a period and recorded on a "string diagram" or other kind of chart.

Procedures—In the application of these techniques to the various aspects of office work, many procedures will be brought under review. Comprehensive reviews of procedures will always involve the study of employees' activities and the processing of forms. Procedure records which combine these details may be prepared in narrative and diagrammatic form.

It will be apparent that these O. & M. techniques overlap in practice and will not be carried out one at a time. Nor, of course, will they all be used on one investigation.

Summarising.

Here it is less easy to describe any specific technique. The object of summarising is to state the facts ascertained by the application of the preceding techniques in a manner which shows their real significance. Lists of facts, tables of figures, narrative descriptions and diagrams may all be used.

The Development of New Organisation and Methods

Having ascertained and stated the present procedures, the O. & M. adviser must develop new ones. Here is the crucial element in the work. Success will depend on knowledge and experience—and upon capacity for original and constructive thinking. Some guiding principles can be laid down.

There must be constantly borne in mind the fundamental nature and purpose of both Organisation and Method. Organisation is the allocation of duties, fixing responsibility and specialisation. It integrates and co-ordinates all the parts of a business unit. It is the framework within which the functions of management can be effectively carried out. It is essentially dynamic, not static. Method is planning for the overall execution and control of the policies and objectives of a business unit.

The objects of every investigation are some or all of:

Economy—by cutting costs, speeding up work and generally increasing efficiency.

Management information—by producing for the management information of a kind or in a form not previously available.

Solution of management problems—by reducing the spheres of guesswork and intuitive decisions.

These objects are achieved by (*a*) elimination, (*b*) combination, (*c*) simplification, (*d*) improvement, (*e*) re-organisation, of present procedures.

The whole and every part of the present procedures should be criticised by asking all the questions that can be framed under these six interrogatives: what? why? who? how? when? where? It is most important to ask why a procedure is carried out at all. The experienced O. & M. adviser will sometimes discover a procedure which serves no useful purpose but "we've always done it," or a procedure carried out in another section of the business and achieving the same purpose.

Every possible alternative should be noted and considered. The suggestions and opinions of the management and staff should be obtained. Demonstrations of office machinery and equipment should be arranged. Note that the makers of office machinery sometimes claim from the use of their machines savings which are in fact mainly attributable to improved methods of working apart from the machines. Before heavy expenditure is recommended the scope for increased efficiency by better methods without new machines must be considered.

The Report

With co-operation from the unit under review the O. & M. adviser will usually be able to prepare an agreed report finalising proposals already accepted in principle.

The report could well be drafted somewhat on the following general lines:

Introduction. Here there should be given the authority for the appointment and the terms of reference.

Description of present and proposed procedures. This section may be in narrative form, setting out first the present and then the proposed procedure. Alternatively, the two procedures may be set out side by side in numbered paragraphs, or represented in diagrammatic form by organisation charts, procedure flow charts and office layout plans.

Work loads. The work loads should be quantified under the present and proposed procedures.

Installation costs. Capital expenditure necessary for the new methods must be stated and charges for depreciation and interest on capital included in running costs.

Savings. An estimate should be shown of the savings to be expected under the new procedure, if they can be reasonably assessed. Running costs should be compared.

Programme of installation. The programme for the new procedure should be set out—dates of availability of new machines, a timetable for the changeover, and the times required for staff training.

Conclusions. The advantages of the new procedures should be summarised and their adoption formally recommended.

Appendices. Diagrams, charts, statistical tables may be shown as appendices to the main body of the report.

It is advisable to summarise the findings of the investigation on one sheet preceding the main report, to facilitate reference to it by senior executives who may have to approve any capital expenditure. The summary should state:

The proposed changes (in brief) and their advantages;
Estimated costs;
Estimated savings of (*a*) staff;
(*b*) money;
(*c*) floorspace;
Date of installation.

Conclusion

This article has attempted to demonstrate the importance of the growing field of Organisation & Methods work to the accountant and to set out shortly the orthodox approach to an investigation. Emphasis has been laid on the principles underlying sound O. & M. work and only brief reference has been possible to the various tech-

niques that are being used. These techniques are fully described in the booklets edited by the O. & M. Division of H.M. Treasury, published by H.M. Stationery Office, and in the publications of the British Institute of Management and the Office Management Association. Many American textbooks are also available.

There is unlimited scope for originality of approach. Some O. & M. advisers work out their proposals at round-table conferences with their clients and do not write formal reports. At least one adviser illustrates present and proposed procedures "life-size" on strips of blind linen in his office, sticking on them actual copies of the forms in use and to be used and charting their movements with coloured tapes. No detailed rules can be laid down. Much depends on the experience and ability of the investigator and his capacity for original thought.

What factors govern (or should govern) decisions whether to hire or to buy fixed assets? Sentiment as well as science comes into the story. But figures make up an important part of it. An explanation of the figurework is given.

Rent or Buy?

[CONTRIBUTED]

ONE OF THE by-products of the Great Credit Squeeze has been an increase in the hiring of equipment. For a few months added incentives to hiring were given by loopholes in the government controls of February, 1956. These loopholes were plugged by the Control of Hiring (Vehicles) Order (Statutory Instrument 1956, No. 1499) and the Control of Hiring (No. 2) (Amendment) Order (Statutory Instrument 1956, No. 1498). Nevertheless, whether renting is to be preferred to buying still remains a practical commercial topic worthy of some consideration. The advent and accentuation of dear money serves to emphasise the importance of immediate capital resources in determining the issue. But there are also many other factors.

Capital Resources

A businessman contemplating expansion which involves the purchase of capital equipment has normally some, at least, of the following sources of finance available:

(1) internal resources, including ploughed-back profits;
(2) fresh capital or loans (secured or unsecured);
(3) hire purchase finance; and
(4) long-term credits from suppliers.

Alternatively, capital resources may be saved by resorting to hiring.

If internal resources are either exclusively or predominantly used for financing purchases of assets a business may soon be short of working capital. It is essential, therefore, to take account of the corresponding increases invariably necessary in working capital. The general rate of return expected on capital employed in the business should be considered and compared with the anticipated benefit of the investment.

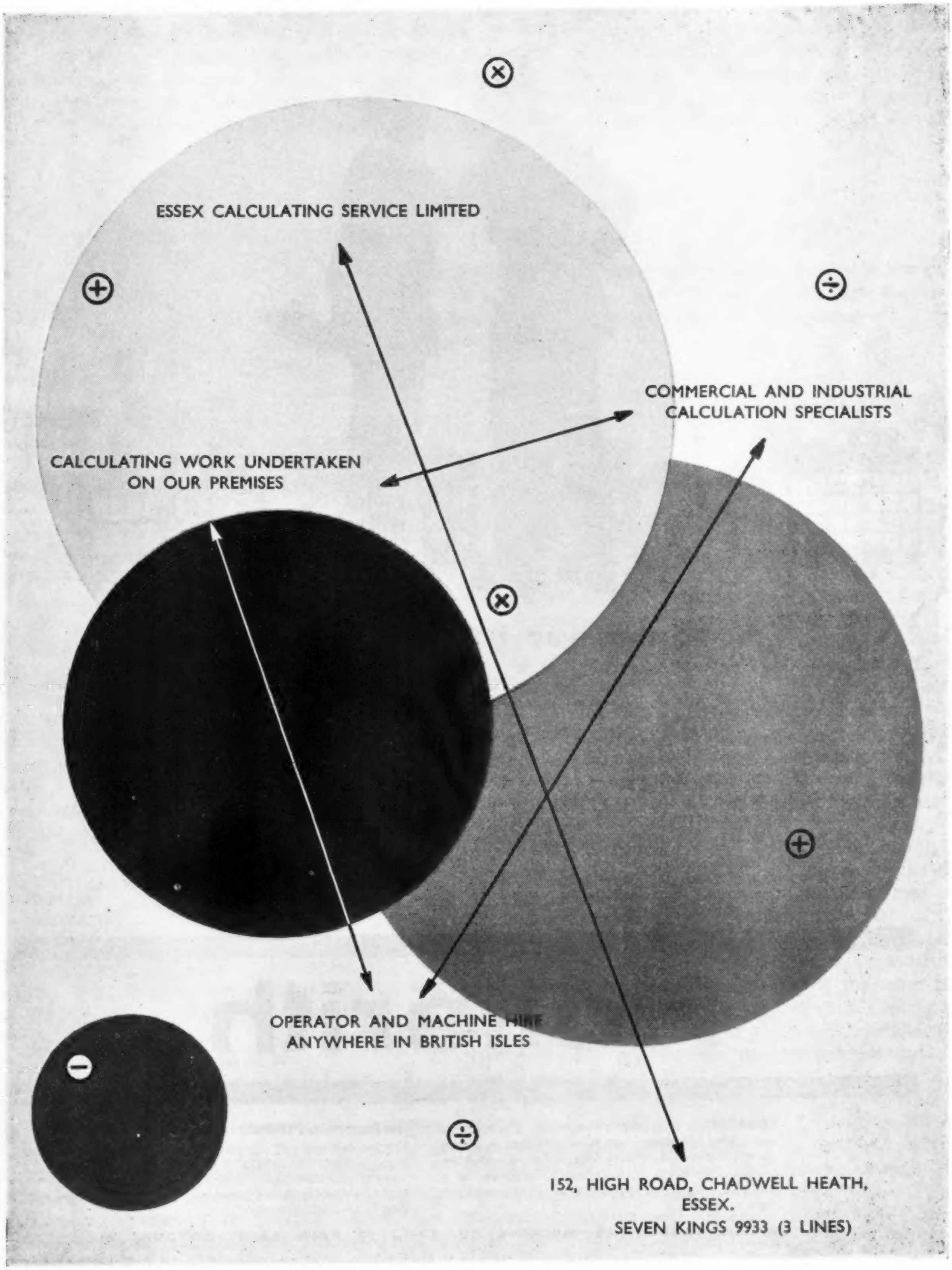
If fresh capital is required the trader is to an extent guarded against impulsive investments. Here it will normally be necessary to satisfy new shareholders or partners that a profitable investment is contemplated and that working capital resources are satisfactory. The capital requirements, if for more than £10,000 in any one year, will require the consent of the Capital Issues Committee (unless supplied by a bank for essentially short-term uses). The cost of raising and maintaining capital should be attributed to the project for which it is required —at least statistically, if not also accounting-wise. Loan capital is often of a secured nature and therefore may be a hindrance on the use and disposal of the assets in question.

Hire purchase finance is normally a flexible form of raising funds for investment in fixed assets. Whilst the agreement is being honoured the hirer has a large measure of freedom in using the asset. Invariably the term of the agreement is for a relatively short period—thus the capital required, although partly deferred, must be available normally well before the useful life of the asset has expired. In the first year of the agreement the down payment as well as the instalments of the whole of the year should be considered in relation to other demands on working capital.

Long-term credits from suppliers are frequently a cheap but unsatisfactory method of financing capital expenditure. Their greatest danger lies in the absence of credit terms, or their unspecified nature. As with hire purchase finance, care must be taken to ensure that funds will be available to meet suppliers' demands on the due date.

Tax Aspects

The tax aspects of buying and renting are quite straight-


ESSEX CALCULATING SERVICE LIMITED
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ESSEX.
SEVEN KINGS 9933 (3 LINES)

forward. If the equipment, either bought or hired, is used for the purposes of a trade, tax reliefs will be available. The obvious distinction in the reliefs: immediate relief for rents paid, deferred relief for assets bought, was to an extent mitigated by the introduction of the investment allowance. Now, with the partial suspension of the investment allowance, normally only initial and annual allowances together with balancing adjustments are available. The normal method, as distinct from the alternative straight line method, of calculating annual allowances accelerates the reliefs for buying equipment and the addition of the initial allowance accelerates them still more.

Illustration

ACCUMULATED CAPITAL ALLOWANCES

Expenditure is 100; basic rates are: normal 10 per cent, alternative 4 per cent.

	Initial Allowances Claimed		*No Initial Allowances*	
	Normal	*Alternative*	*Normal*	*Alternative*
Year 1	33	25	13	5
2	41	30	23	10
3	48	35	33	15
4	54	40	41	20
5	60	45	48	25

When a choice has to be made between renting or buying different assets consideration should be given to the relative allowances available on them. As a general rule the more attractive the capital allowances are, the greater is the incentive to buy. To take an extreme example: it is far more preferable from a tax angle to hire (or, more appropriately, to rent) office accommodation—the ownership of which gives rise to no capital allowances—than to hire scientific research equipment, on which the law permits four-fifths of the cost to be charged against income tax profits for the year of purchase (three-fifths allowance under Section 336, Income Tax Act, 1952, and one-fifth investment allowance under Section 16, Finance Act, 1954, still operative for capital expenditure on scientific research).

If machinery or plant is let to a trader on the terms that the burden of wear and tear falls on the trader and not on the owner, capital allowances may be claimed by the trader "on so much of the capital expenditure on the provision of the machinery or plant as may appear to the Commissioners having jurisdiction in the matter to be just and reasonable." (Section 299, Income Tax Act, 1952.)

Comparative Costs

Hiring charges ordinarily cover maintenance costs but not running costs. Sometimes when semi-immovable plant—for example, a punched card installation—is hired, a full or part-time mechanic is available without extra cost. Otherwise the hiring agency makes itself responsible for major repairs, and, when appropriate, modifications. Maintenance, although not necessarily an overriding factor, particularly in the early years of the life of a piece of equipment, can be troublesome. Passing the onus for maintenance to a financially interested party may relieve the hirer of some anxiety.

Installation costs, if any are incurred, are normally borne either wholly or partly by the hirer; similarly for repositioning costs. The actual installation work is, however, normally carried out by the owner, and if the owner has specialist abilities this course will invariably be cheaper and more satisfactory to the hirer.

Compared with an all-inclusive rent the purchaser of equipment must reckon with depreciation, maintenance and interest on the capital employed. Invariably the recurring gross cost of buying is cheaper than hiring, and obviously so when recurring cash costs are compared. But this broad assumption is subject to many reservations which depend on the exact circumstances. Among the factors influencing the comparative costs are the following:

(1) The extent to which the equipment is used in the business, ranging from a few hours weekly to continuous shift working. It is often preferable to buy if the usage is great.

(2) The risk of obsolescence—when high obsolescence is to be expected the renting of the equipment tends to become relatively less costly than buying.

(3) The degree of maintenance required—hiring may be favoured if maintenance is heavy and/or highly technical.

Comparative Capital Employments

As an example, assume a business requires a ratio of current to fixed assets of two to one (the units being ignored), so that 300 units of its funds put by the business into assets could be used in the following alternative ways:

	A *Ownership*	B *Hiring*
Fixed assets	100	
Current assets	200	300

By hiring, fixed assets of 150, one half of the sum used in current assets, may be employed in business B, but allowing for a slight increase in working capital made necessary by hiring, let us take it that fixed assets amounting to only 125 are employed.

Assuming A depreciates on a straight line historical cost basis at 10 per cent. per annum and bears maintenance at 3 per cent. for the first year, while B incurs a rental of 20 per cent. per annum, we have:

	A	B
Depreciation and maintenance/hiring charges	13	25
The point at which net profit on the two alternatives will be equal is reached when the gross return on the fixed assets is x/y per cent., where x=excess of hiring charges over buying charges and y= excess of hired assets over owned assets.		
That is, when the gross return is $\frac{25-13}{125-100}$		
or 48 per cent.	48	60
Then the net return is	35	35

It will be seen that at a gross return of more than x/y per cent., the net return is higher if the fixed assets are hired than it is if they are bought.

However, we have been considering the net return before tax. Taking the net return after tax, A's position will be better, particularly in the earlier years, because of the benefit derived from capital allowances.

Continuing the example above:

		A	B
Net return before tax		35	35
Capital allowances ..	32		
Less: Depreciation	10		
	—	22	
		—	—
Taxable		13	35
		—	—
Tax at, say, 10s.		6½	17½
		—	—
Net return after tax		28½	17½
(48—13—6½)		—	—

Calculations can be made on these lines, using the best estimates available to the business, for a number of years ahead, but it is important to remember that capital allowances under the normal plant method decrease year by year so that a separate calculation should be made for each year of the working life of the assets.

Comparative Cash Outlays

It is obvious that buying entails a greater initial cash outlay. But that outlay is mitigated by the initial allowance and the annual allowances, if applicable, of the early years. Thereafter the aggregate cash outlay through buying will invariably increase erratically, whilst renting cash outlays aggregate evenly. A cash break-even point will be attained normally before the expiration of the working life of the assets. When contrasting comparative cash costs the initial buying costs should include installation charges and capital issue expenses. Thereafter the annual interest and maintenance costs should be added after income tax and profits tax relief (or surtax relief for sole traders and partnerships) and the benefit of capital allowances deducted. (With a hiring arrangement consideration should be given to the possibility of decreasing rentals over the hiring term.)

Use of Equipment

Broadly speaking, the hiring of equipment brings both advantages and disadvantages in the using of the equipment. Supervision is a case in point. Normally the owner of the equipment reserves the right to inspect the equipment at certain intervals during the term of the hiring arrangement. On the one hand, this supervision may serve as a useful technical check on the equipment. On the other hand, it may cause embarrassment and undue interference with the business of the hirer.

A distinct advantage of hiring equipment is that the hirer may return it, usually after a definite period, such as twelve months. This right will be helpful if better plant becomes available or if the circumstances have so changed that the plant is no longer needed—as, for example, through a change in the demand for the products.

Conversely, renting brings with it *a priori* the disadvantage that the trader may be dispossessed of the equipment through failure to observe strictly the conditions of the hiring arrangement, as through failure to meet hiring charges.

Prestige Aspects

The Machinery and Allied Products Institute in the United States suggested in a recent report on the question of hiring capital equipment that one disadvantage of hiring as distinct from buying was a loss of prestige to the trader. This loss of prestige appears to be a variable factor, for in many instances the actual ownership of the equipment cannot be readily determined. However, when a trader is dispossessed of hired equipment the loss of prestige may be real. Probably habit and pride of ownership play a large part in the question of prestige. From a strictly utilitarian point of view there can, as has been seen, be advantages either way between buying and renting but psychologically ownership brings greater self confidence and a sense of security.

Non-Acceptance of Goods

THE COMMON LAW rules in regard to the recovery of damages for breach of contract are those stated by Alderson, B., in *Hadley v. Baxendale* (1854), 9 Exch. 341, 354:

> Where two parties have made a contract which one of them has broken, the damages which the other party ought to receive in respect of such breach of contract should be such as may fairly and reasonably be considered either arising naturally, that is, according to the usual course of things, from such breach of contract itself, or such as may reasonably be supposed to have been in the contemplation of both parties, at the time they made the contract, as the probable result of the breach of it.

On these rules have been based certain provisions contained in the Sale of Goods Act, 1893, including Section 50, which is concerned with damages for non-acceptance and was examined in two recent cases *Thompson (W. L.) Ltd.* v. *Robinson (R.) (Gunmakers) Ltd.* [1955], Ch. 177, [1955] 1 All. E.R. 154, and *Charter* v. *Sullivan* [1957] 2 Q.B. 117, [1957] All E.R. 809. In a third recent case, *Interoffice Telephones Ltd.* v. *Robert Freeman Company Ltd.* [1957] 3 All E.R. 479, the question at issue was the

measure of damages for repudiation by the hirer of a contract of hiring. As will be seen, this last case shows that the principles involved are the same whether the contract be one of sale or of hiring.

Section 50 of the Act of 1893 provides:

> (1) Where the buyer wrongfully neglects or refuses to accept and pay for the goods, the seller may maintain an action against him for damages for non-acceptance.
> (2) The measure of damages is the estimated loss directly and naturally resulting, in the ordinary course of events, from the buyer's breach of contract.
> (3) Where there is an available market for the goods in question the measure of damages is *prima facie* to be ascertained by the difference between the contract price and the market or current price at the time or times when the goods ought to have been accepted or, if no time was fixed for acceptance, then at the time of the refusal to accept.

Buyer's default consequent on liquidation

Before considering the recent cases it will be convenient to examine the facts and principle of *Re Vic Mill Ltd.* [1913] 1 Ch. 183, [1913] 1 Ch. 465 (C.A.), since it was referred to in all three of the recent decisions, being applied in the first and third and referred to with approval in the second. In *Re Vic Mill*, a company was unable to accept machines which it had ordered because of supervening liquidation, and the suppliers of the machines claimed damages in the winding up. The machines fell into two categories. Some had been completed before the winding up and then, after the breach complained of, altered and sold to other buyers at only slightly less than the original contract price. The others had not yet been manufactured, though the suppliers had obtained certain parts for them which they were subsequently able to use in fulfilling other orders. There was evidence that the suppliers had room in their works to carry out these other orders as well as the contract with the company.

Considering the question whether or not there was an available market for any of the machinery, Neville, J., said ([1913] 1 Ch. 187):

> It seems to me goods made to order stand on quite a different footing from other goods because they are not made for the market. It may be there is an available market and it may be there is not; but, as a rule, if you sell against the purchaser you put him in a great deal worse position than the claimants claim to put him in the present case. Here they claim no more than loss of profit. Take the case of an order for an article which is perfectly useless to anybody but the person who ordered it; what is the measure of damage in that case if the contract is not fulfilled? It is not only the loss of profit, but includes the loss of the cost of the article that cannot be disposed of.

Seller entitled to whole of lost profit

The learned Judge held that the claimants were entitled to prove for the whole of the profit which they had lost by the buyer going into liquidation—not merely the cost of altering the machinery which had already been completed and had been resold and the loss on the resale. His decision was affirmed by the Court of Appeal. The *ratio decidendi* is summed up in the following passages from the judgments of Hamilton, L.J., and Buckley, L.J. Dealing with the completed machinery, Hamilton, L.J., said ([1913] 1 Ch. 473):

> The fallacy of [confining the damages to the cost of alteration and the loss on resale] is in supposing that the second customer was a substituted customer, that, had all gone well, the makers would not have had both customers, both orders, and both profits.

Buckley, L.J., dealing with the machinery which had not yet been manufactured at the date of the liquidation, said ([1913] 1 Ch. 474):

> . . . The respondents are, I think, entitled to the whole profit, because the appellants failed to produce any evidence to show that if the works had been employed to execute the orders under the contract they would have been unable to execute other orders which they had received. Under these circumstances no credit need be given in respect of the employment of the works upon the other operations.

Supply exceeding demand

The plaintiff company in *Thompson Ltd.* v. *Robinson Ltd.*, was a motor car dealer and entered into a contract to sell to the defendant company a new Standard Vanguard car. The defendant refused to accept delivery and admitted that there was a binding agreement which it had broken. The case turned, therefore, only on the quantum of damages. The plaintiff was permitted to sell the car only at a price fixed from time to time by the manufacturer, and its profit (on this transaction £61) was also fixed. There was at that time in the area in which the plaintiff traded no shortage of Standard Vanguard cars to meet all immediate demands, so that there was no question of the plaintiff, as a result of the breach, being forthwith able to dispose of the car to someone whose needs it could not otherwise have met. The plaintiff was, however, able to mitigate the damages by rescinding its contract with its supplier, who was willing to take the car back free of any claim for damages. The result was, therefore, that the plaintiff company was no better and no worse off than it would have been if the contract had never been made.

Upjohn, J., considered Section 50 of the Sale of Goods Act and pointed out that it was declaratory of the existing law. The general principle involved had been stated by Viscount Haldane, L.C., in *British Westinghouse Electric and Manufacturing Company Limited* v. *Underground Electric Railways Company of London Limited* [1912] A.C. 673, 689, as follows:

> . . . I think that there are certain broad principles which are quite well settled. The first is that, as far as possible, he who has proved a breach of a bargain to supply what he contracted to get is to be placed, as far as money can do it, in as good a situation as if the contract had been performed.

This statement of principle considers the matter from the point of view of the buyer, but clearly it applies equally on the side of a seller when the buyer fails to accept, and Upjohn, J., having pointed out that, as regards the case before him, there was no English authority exactly in

point, said that the principle to be applied was a clear one and was to be found in *Re Vic Mill Ltd.*

The "available market"

His Lordship went on to deal with the defendant's submission that sub-Section (3) of Section 50 applied, because (as the company said) there was an available market for the goods in question, in which the price of the goods was fixed. Hence the measure of damages must necessarily be little more than nominal: had the plaintiff kept the car and resold it, it would doubtless have been entitled to the costs of storage in the meantime, and possibly interest on the money which it had laid out, but, as it had in fact mitigated damages by getting out of the contract with the supplier, damages were *nil.*

Examining the meaning of "available market," his Lordship said that, if the matter had been *res integra*, he thought that he would have found that the term merely meant that the situation in the particular trade in the particular area was such that the particular goods could freely be sold and that there was a demand sufficient to absorb readily all the goods that were thrust upon it, so that if a purchaser defaulted the goods in question could readily be disposed of. But his Lordship thought himself bound by the decision of the Court of Appeal in *Dunkirk Colliery Company* v. *Lever* (1878), 9 Ch. D. 20, where James, L.J., had said that there was a fair market in which sellers could find a purchaser either by themselves or through some agent at some particular place. Unless, said Upjohn, J., one found something in the nature of a market in the sense used by James, L.J., Section 50 (3) had no further application. On the facts before the Court there was not, even on the extended definition, an available market. There was, moreover, as his Lordship pointed out, a further consideration, even if it was possible to accept the defendant's argument that the market must now be looked at as being the whole conspectus of trade, organisation and marketing: Section 50 (3) provided only a *prima facie* rule, and if, on investigation of the facts, it was found unjust to apply it, in the light of the general principles referred to it was not to be applied. It was plain that the loss to the plaintiff was £61 and therefore, however Section 50 (3) was interpreted, on the facts the same result was reached and the plaintiff was entitled to damages in that sum.

Demand exceeding supply

Thompson Ltd. v. *Robinson Ltd.* was distinguished by the Court of Appeal in *Charter* v. *Sullivan.* This case was also concerned with the sale of a motor car, a Hillman Minx, which the plaintiff, a motor car dealer, had agreed to sell and the defendant to buy. Following the defendant's failure to accept the car, the plaintiff resold it at the profit which he would have made had the defendant completed the contract, namely £98, but he also claimed this amount from the defendant as loss of profit on the broken contract.

There was an essential point of difference between this case and *Thompson Ltd.* v. *Robinson Ltd.* In the earlier case, as has been stated above, there was no available market for the car in question, while the plaintiff in the later case could, on the evidence, find a market for every Hillman Minx car he obtained from the manufacturers. The Court of Appeal, while recognizing that *Re Vic Mill Ltd.* stated the right principle to apply when the supply of the goods in question exceeded the demand, found that in the present case the market was the other way, so that the plaintiff was entitled to nominal damages only. The measure of damages was that enacted by sub-Section (2) of Section 50—"the estimated loss directly and naturally resulting, in the ordinary course of events, from the buyer's breach of contract"—and the plaintiff had not proved any loss of profit. On the evidence, he had sold the same number of Hillman Minx cars and made the same profit as he would have done if the defendant had carried out his contract.

Jenkins, L.J., delivering the leading judgment in the Court of Appeal, pointed out that the number of sales which the plaintiff could effect, and consequently the amount of profit which he made, would be governed, according to the state of trade, either by the number of cars which he was able to obtain from the manufacturers or by the number of purchasers whom he was able to find. If demand exceeded supply, the default of one purchaser involved him in no loss, for he sold the same number of cars as he would have sold if that purchaser had not defaulted. If supply exceeded demand, the default of one purchaser might be said to have lost him one sale.

Market or current price

His Lordship continued ([1957] 1 All E.R. 811, 812):

> Accordingly, it seems to me that, even if there was within the meaning of Section 50 (3) an available market for cars of the description in question, and even if the fixed retail price was the market or current price within the meaning of the same sub-Section, the *prima facie* rule which it describes should be rejected in favour of the general rule laid down by sub-Section (2); for it does not by any means necessarily follow that, because the plaintiff sold at the fixed retail price to [another] the car which the defendant had agreed to buy at the self-same fixed retail price, but refused to take, therefore the plaintiff suffered no "loss directly and naturally resulting, in the ordinary course of events" from the defendant's breach of contract.

Once it was decided that the case fell under sub-Section (2) of Section 50, it was not strictly necessary to decide whether there was an available market within sub-Section (3), but Jenkins, L.J., nevertheless considered that provision and also *Thompson Ltd.* v. *Robinson Ltd.* His Lordship doubted whether the observations of James, L.J., in *Dunkirk Colliery Company* v. *Lever* should be literally applied as an exhaustive definition of an available market in all cases, but, on the other hand, he did not find Upjohn, J.'s, definition entirely satisfactory. He said ([1957] 1 All E.R. 813, 814):

> I will not, however, attempt to improve on it, but will content myself with the negative proposition that I doubt if there can be an available market for any particular goods in any sense relevant to Section 50 (3) unless those goods are available for sale in the market at the market or current price in the sense of the price, whatever it may

be, fixed by reference to supply and demand as the price at which a purchaser for the goods in question can be found, be it greater or less than or equal to the contract price. The language of Section 50 (3) seems to me to postulate that in the cases to which it applies there will, or may, be a difference between the contract price and the market or current price, which cannot be so where the goods can only be sold at a fixed retail price. Accordingly I am of opinion that, whether there was in this case "an available market" within the meaning of Section 50 (3) or not, it is a case in which Section 50 (2) should be applied to the exclusion of Section 50 (3).

Contract of hire

While the cases which have been referred to above establish clearly the rules as to damages for breach of contracts to take goods by way of sale, the question in *Interoffice Telephones Ltd.* v. *Robert Freeman Company Ltd.*, was whether the same principles applied to a breach of a contract of hiring. Clearly Section 50 of the Sale of Goods Act could have no application, but, as has been pointed out above, that Section is based on common law principles, so that the fact that it was inoperative had no particular significance.

In this case the plaintiff company had hired to the defendant company a telephone installation for a period of twelve years. When less than six years of this period had run the defendant repudiated the contract and the plaintiff regained possession of the installation. The contract made provision for the making of certain payments by the defendant in the event of breach, but at the trial of the action it was apparently conceded that the clause in question, inasmuch as it was applicable in a number of different circumstances of varying importance, was one which should be classed as a penalty and therefore void, so that, the clause being disregarded, the owner should be entitled to recover whatever damages, on the proper principles as to the assessment thereof, it could claim to have suffered through the hirer's default. In these circumstances the plaintiff claimed that the measure of damages should be calculated on the basis of compensation for loss of rental over the unexpired period of the contract, less a deduction for reconditioning the apparatus, an allowance for not having to maintain it, and a discount for recovering a lump sum by way of damages in lieu of rental over six years. At the trial Pilcher, J., held that damages must be calculated on the basis that the owner must be treated as having, after a reasonable interval in which to find a new hirer, hired out to him the installation withdrawn from the hirer in default at the same rent.

From this decision the owner appealed, supporting its method of calculation by the fact that it had always a supply of equipment sufficient to meet any demand, so that the re-hiring of the equipment to a new customer did not diminish its loss. That proposition was supported by *Re Vic Mill Limited.* The hirer, on the other hand, relied on *British Stamp and Ticket Automatic Company Ltd.* v. *Haynes* [1921] 1 K.B. 377, which also was concerned with hiring and in which Salter, J., held that the plaintiff was not entitled to damages for loss of rent for the whole of the outstanding period of hire after the hirer had broken the contract, although it had other machines in stock. *Re Vic Mill Ltd.* was not cited in *British Automatic Company* v. *Haynes*, and in *Telephone Rentals Ltd.* v. *R. C. A. Photophone Ltd* (unreported, February 8, 1957), Barry, J., found Salter, J.'s, decision irreconcilable with *Re Vic Mill Ltd.* and *Thompson Ltd.* v. *Robinson Ltd.*, which he decided he should follow. With that decision the Court of Appeal in *Interoffice Telephones Ltd.* v. *R. Freeman Company Ltd.* wholly agreed. Jenkins, L.J., who again gave the leading judgment, said ([1957] 3 All E.R. 485):

> I cannot see how the circumstance that this case is concerned with a hiring and not with a sale of goods can suffice to displace the principle of *Re Vic Mill Ltd.*

His Lordship then cited as expository of the general rule the passage from Lord Haldane's speech in *British Westinghouse Electric and Manufacturing Company Ltd.* v. *Underground Electric Railways Company of London Ltd.*, which is cited above, and said that it seemed to him that the broad general principle therein contained was just as much applicable to cases of hiring as to cases of sales of goods. *British Automatic Company* v. *Haynes* can accordingly no longer be considered good law.

Conclusions

From the cases which have been considered above there emerge the following rules:

1. Section 50 of the Sale of Goods Act, on damages for non-acceptance, is merely declaratory of the common law.

2. Sub-Section (2) of Section 50 sets out the principle on which damages may ordinarily be recovered for non-acceptance: this is the general rule which finds expression in the passage from Lord Haldane's judgment in *British Westinghouse Electric and Manufacturing Company Ltd.* v. *Underground Electric Railways Company of London Ltd.*, cited above. So, if a buyer fails to accept, the seller is entitled, not only to recoup any actual loss which he suffers from the breach of contract, but also to recover his lost profit. If supply exceeds demand it does not matter that the seller manages to sell the goods elsewhere: instead of there being two sales and two profits there is then only one, and the profit lost may be recovered from the buyer who is in default.

3. Sub-Section (3) applies only if, as stated by Jenkins, L.J., in *Charter* v. *Sullivan*, the goods concerned "are available for sale in the market at the market or current price in the sense of the price, whatever it may be, fixed by reference to supply and demand as the price at which a purchaser for the goods in question can be found, be it greater or less than or equal to the contract price."

4. Even so, sub-Section (3) provides only a *prima facie* rule and if, on investigation of the facts, it appears that it is unjust to apply that rule, in the light of general principles it is not to be applied. (*Per* Upjohn, J., in *Thompson Ltd.* v. *Robinson* Ltd.)

5. If there is a contract under which goods are let on hire and the hirer repudiates the contract, the same principles apply as in the case of non-acceptance of goods under a contract of sale.

Accountant at Large

Travelling on Business

THE TWO EXTREMES of mobility and immobility in work may be pictured in the pilot who flies monotonously across the world and back again for his living, and the proprietor of a village shop who moves between his back parlour and his counter and may not in a long lifetime leave the confines of his parish. Accountants fall variously between the extremes. They have a daily journey to and from the office, perhaps very short, perhaps (especially in London) an hour or more each way. And the course of business, leaving one man to spend nearly all his time in his office, may give to another frequent and distant travel. One man leaves his home town only when he goes holidaymaking; another is forever going to Aberdeen, or Bristol or Cork, and no doubt there are some few accountants who go to Samarkand.

There is a great gulf fixed between people who regard travelling as one of the pains of their employment and those others who think it a principal delight; and either side finds it hard to comprehend the other. A car "on the firm" is (as accountants above all men have regular and ample evidence) one of the most conspicuous facts of modern business life: probably more criticised as a "racket" than is justified.

Today, travel by air, at home and overseas, is so ordinary a thing (for at least seasoned long-distance travellers) as to merit discussion side by side with road and rail. But it needs no fanatical lover of railways to see in train travel the real essence of the matter, and to realise that it is by his attitude to train journeys that a man's feeling for travel can best be judged. Train journeys offer such a wide range of degrees of comfort and discomfort, of convenience and inconvenience, that it needs an enthusiast indeed to enjoy them all; but at its best, in a well appointed train running to time, rail transport has at once more comfort, less responsibility and, on the record, more safety than any other means of movement overland. (A long sea voyage has its own attractions, but is not strictly relevant when we are discussing business travel. Only the most luxurious businesses give much scope for long sea voyages.)

The man who boards his train at Paddington to do business for a few hours in Cardiff can be, one might think, very happy in his little isolation. There is no telephone by his side. He is out of reach alike of superiors and underlings, with their quite different but perhaps equally exacting calls upon him. He can read a novel; he can catch up on a briefcase full of papers which the exigencies of his desk have for this past week (or weeks) prevented him from dealing with. He can look through the window. He can sit back and think of policy, or at least delude himself that it is of policy that he is thinking, another occupation not fostered by his office routine. He hasn't to think of finding his way, nor is there any road for him to keep his eye on. He can relax—blessed state!

There are those (difficult though one may find it to believe) who do not like travel even in these circumstances. There are others, probably more of them, who enjoy such breaks from office discipline but find that they sadly diminish the pleasure of domestic train travel. There are differences too obvious to need detailing between the business trip for which a secretary has reserved a first class corner seat facing the engine in a smoker and a private journey accompanied maybe by a diversity of children in a midsummer Saturday holiday train in a crowded second class compartment. Many a business man who complains about the inadequacy of dinner on the evening train back from the north must rest content with the station buffet when he travels *en famille*—and indeed the family, if it be of any size, does forcibly point the advantages of the motor car over the train.

But, again, we are concerned with business travel, in which one may reasonably expect to escape from the sordid pecuniary realities of private life. We are concerned with travel in its most restful form—restful and yet not wastefully so, for rest is not be be despised, and work can be done in the train; with the "sleeper"—but why, oh why, are there no *couchettes* in Britain?—saving extraordinary quantities of working time, and making rail travel momentarily compare even with the speed of the air.

There are kinds of business travel other than this idealised picture: long slow stopping journeys up obscure branch lines at the back of beyond where one would offer one's kingdom for a car did one not realise how terrible the roads hereabouts must be; cross country journeys with changes at Crewe and Bletchley, or at much less probable places, the junctions of Abergavenny, Killin, Dereham. The traveller from London is, like most other majority members, preferentially treated. But let us still concentrate on our comfortable travel, for the remarkable thing is still that there are those who hate it, even so. They are surely the hard core of stay-at-homes; they must suffer most acutely from the discomforts of daily travel to and from work.

The daily journey is another thing again—a recurring horror to some, to others a negative dormant time in which nothing ever happens. To others, again, it is a brief spell never as long as they would wish, for how can they be expected to read in a bare half hour the paper the top people read or even scan the journal of the tycoons?—and how can they do their reading or scanning any other time? But this article can properly stop short of examining the daily journey; it has been written on the way back from Sheffield and now, somewhere in the dark between Nottingham and St. Pancras, second dinner is being served. It is clearly time to stop, or the soup will be even colder than B.R. soup usually is.

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P.T.O.

Residence—United Kingdom and Eire

THE TAX POSITION of a taxpayer who is resident in either or both the United Kingdom (U.K.) and Eire is in many respects very different from that of a taxpayer affected by U.K. or Eire taxation who is resident in some country other than Eire.

Under the agreement providing for double taxation relief:

(*a*) A person resident in Eire and not resident in the U.K. is exempted from U.K. tax on property situate and profits and other income arising in the U.K., but must include the U.K. income for taxation in Eire.

(*b*) A person resident in the U.K. and not in Eire is exempted from Eire tax on property situate and profits and other income arising in Eire, but must include the Eire income for taxation in the U.K.

(*c*) A person resident in both the U.K. and Eire must pay tax in both countries, but can claim relief in both countries on the doubly taxed income at half the lower of the two effective rates.

In all cases there must be left in charge to tax at the standard rate in either country an amount of income sufficient to cover annual charges payable in that country under deduction of tax.

For the above purposes a company, no matter where it is incorporated, is to be regarded as resident only in that one of the two countries in which its business is controlled and managed. Only a company controlled and managed outside the U.K. or Eire can therefore be doubly taxed in those two countries.

These rules differ entirely from the double taxation relief rules for other countries. Changes in the law have to keep them in sight; as examples:

(*a*) the new Schedule E rules are modified so that any duties of an office or employment performed in Eire by a person resident in the U.K. are treated for the purposes of Cases I and II of Schedule E as performed in the U.K. (subject to keeping in charge in Eire enough income to cover annual charges payable there). A person resident in Eire but not resident in the U.K. is not chargeable under Case II of Schedule E. Moreover, emoluments of a person resident in the U.K. from an office or employment under or with a person, body of persons or partnership resident in Eire are not treated as "foreign emoluments" and are therefore not exempted from Cases I and II.

(*b*) A company carrying on a trade in Eire cannot be an Overseas Trade Corporation.

Income arising in Eire must be included in the income of a person resident in the U.K. on the following bases:

(i) *Income from securities in Eire*—the actual income arising in the year of assessment.

(ii) *Income from employment in Eire*—the actual income of the year.

(iii) *A business carried on in Eire*—on the same basis as if it were carried on in the U.K. In computing the profits there may be deducted in respect of business premises an amount equal to that charged to tax under Case V, Schedule D (See (iv) and (v) below).

(iv) *Land or buildings in Eire occupied by a person resident in the U.K.*—the annual value for Schedule A in Eire. In the case of a farm in Eire, the Schedule B assessment is the basis.

(v) *If the property is let*—the rent less outgoings. Where the outgoings exceed the rent, it is understood that the Inland Revenue will allow a deduction from the rent of an amount equal to that which would be allowable in a maintenance claim if the property were in the U.K.; this allows heavy repairs to be spread.

In Eire, income arising to a resident from sources in the U.K. is assessable under Case III, Schedule D, and must be included on the following bases:

(i) *Income from securities in the U.K., and from possessions in the U.K. other than businesses or employments*—if resident in Eire only: the actual income of the current year where taxed by deduction in Eire, otherwise the preceding year's income; if doubly resident: the actual income of the year of assessment. War loan interest is on the preceding year's income in both instances.

(ii) *Income from employment in the U.K.*—the same basis as if it arose in Eire, i.e. normally the previous year's income.

(iii) *A business carried on in the U.K.*—the same basis as if it arose in Eire, normally the previous year's income.

(iv) *Land or buildings in the U.K. occupied by a resident in Eire*—the net annual value. In the case of a farm, that would be the Schedule B assessment of the current year if the farm were still assessable under that Schedule, i.e. three times the gross annual value. If the farm shows a loss the Schedule B notional figure will be cancelled and relief allowed for the loss. Amenity lands are included at the Schedule B assessment (i.e. one-third of the gross annual value).

(*v*) ***Property let in the U.K.***—if resident in Eire only:

preceding year's rent less outgoings; if doubly resident: the rent less outgoings of the current year.

Income that arises outside both the U.K. and Eire will be assessed in those countries on the usual bases, i.e. under Cases IV and V, Schedule D, or under Schedule E in the U.K., and Case III, Schedule D, in Eire. If the remittance basis applies, each sum remitted will be assessed in the country to which the remittance is made. In Eire, a person resident in both countries is assessed on U.K. dividends as if they were a separate source from other income assessed under Case III. Interest on 3½ per cent. War Loan is also a separate source.

For surtax purposes, the total income is the sum of all the assessments the tax on which is borne by the taxpayer and income taxed at source, less the annual charges. In the U.K. there is now deductible from the total income the total of the personal allowances (i.e. personal, child, housekeeper, dependent relative and daughter allowances but not additional personal allowance) in excess of £140.

The appropriate rate is found in each country by dividing the income tax (before deduction of life assurance relief) by the total income and dividing the surtax payable for the same year by the total income. The income tax and surtax rates are added together and relief is given in each country at half the lower of the two appropriate rates. The relief at the income tax rate included is to be given against income tax and at the surtax rate against surtax.

So long as the same income is charged in both countries, relief is given on the amount charged in each, even if the amount of the income differs because of different bases of assessment. If there is a notional Schedule B assessment, however, only the amount of that assessment can be regarded as doubly taxed, although the profits assessed in the U.K. may be more. Unremitted income from a third country assessed on a remittances basis cannot be regarded as doubly taxed.

If the principal abode of a double resident is in the U.K., additional double tax relief may be given in Eire if he did not spend more than six months there in the year of assessment. The relief is at the discretion of the Revenue Commissioners and is not to exceed such an amount as will reduce the total U.K. and Eire income taxes and surtaxes to the amount that he would have borne if he had not been resident in Eire in that year.

Illustration

1956/57. Man domiciled in Eire, resident in both the U.K. and Eire.

		U.K.		*Eire*
	£	£	£	£
House in Dublin let unfurnished:				
Schedule A assessment	50			
Less Ground rent	10			
	—			40
Rent receivable (preceding year)	80			
Less Ground rent	10			
	—	70		
House occupied in London, U.K.—Net annual value		80		80
Director's remuneration				
U.K. Company				
Actual year		2,000		
Preceding year				1,800
Wife's remuneration:				
Eire Company				
Actual year		500		
Preceding year				400
U.K. Dividends				
Actual year		1,000		1,000
Eire dividends				
Actual year		100		100
Rents of property in U.S.A.:				
Amount remitted to London in preceding year		900		
Amount arising in preceding year				1,400
Total income		4,650		4,820
Reliefs:				
Earned Income	450		400	
Personal	240		310	
Additional Personal	140		45	
	—	830	—	755
		3,820		4,065

	£ s. d.		£ s. d.
Chargeable			
First £360	93 0 0	£100 at 3/-	15 0 0
At 8/6 £3,460	1,470 10 0	100 at 6/-	30 0 0
		3,865 at 7/6	1,449 7 6
Tax for appropriate rate calculation	1,563 10 0		1,494 7 6
Deduct Life Assurance Relief (Eire policy dated 1955) 2/5ths of £250 at 8/6	42 10 0	£250 at 5/-	62 10 0
	1,521 0 0		1,431 17 6
Double Taxation Relief (D.T.R.) (see below) £4,650 at 3s. 1.21d.	720 18 11	£4,320 at 3s. 1.21d.	669 15 7
Tax to be borne	800 1 1		762 1 11
Add Tax on ground rent	– – –	£10 at 7/6	3 15 0
Total liability to income tax	800 1 1		765 16 11
Surtax:	£		£
Total income	4,650		4,820
Deduct Personal Relief in excess of £140	100		
	4,550		
£	£ s. d.	£	£ s. d.
2,000	– – –	1,500	– – –
500 at 2/-	50 0 0	500 at 9d.	18 15 0
500 2/6	62 10 0	1,000 1/6	75 0 0
1,000 3/6	175 0 0	1,000 3/-	150 0 0
550 4/6	123 15 0	820 4/-	164 0 0
4,550	411 5 0	4,820	407 15 0
Less D.T.R. (see below) £4,650 at 10.15d.	196 13 1	£4,320 at 10.15d.	182 14 0
Surtax liability	214 11 11		225 1 0
Appropriate rates	s. d.		s. d.
Income tax $\frac{£1,563\ 10\ 0}{4,650}$	6 8.70	$\frac{£1,494\ 7\ 6}{4,820}$	6 2.41
Surtax $\frac{£411\ 5\ 0}{4,650}$	1 9.23	$\frac{£407\ 15\ 0}{4,820}$	1 8.30
	8 5.93		7 10.71

Double Taxation Relief

Relief is at half of 7s. 10.71d.=3s. 11.36d., of which 3s. 1.21d. is income tax and 10.15d. is surtax. The income not regarded as doubly taxed is the unremitted United States income of £500. Therefore double taxation relief in Eire can be given on only £4,820 – £500=£4,320.

Is "Know-How" Taxable?

THE DIFFERENT VIEWS expressed by their Lordships when the case of *Moriarty* v. *Evans Medical Supplies, Ltd.*; *Evans Medical Supplies, Ltd.* v. *Moriarty* ([1957] 3 All E.R. 718), was recently before the House of Lords serve to show that the law relating to the taxation of "know-how" is still somewhat fluid. Nevertheless, the exhaustive consideration then given to the subject has added considerably to our knowledge of it, if only by showing that "know-how" may well occupy a more extended field than was previously suspected, and that this extended field carries with it certain tax implications.

Patent rights, copyright and royalties, being saleable assets for valuable consideration, have long held an assured place in the income tax code. The knowledge of secret formulae or of secret processes of manufacture, storage or packaging is of more recent origin as a saleable asset, but being analagous to patents and copyright, is slowly finding its own place in the same code. It, too, is something

which only the possessor can use unless he sells it outright or disposes of it in a limited way by licence. But whereas patents and copyright are monopolies in law, secret knowledge that cannot be patented is only a quasi-monopoly, or a monopoly in fact.

Turning a monopoly to account

The owner of a patent or the possessor of a secret process can use his knowledge himself and derive income from it, or he can grant to another a licence to utilise it in return for a royalty. Alternatively, he can sell his knowledge outright, in a number of different ways. He can sell it "to the world"—for example, to the government, as in *Butterworth* v. *Page* ([1935] All E.R. 943) or he can dispose of it *in toto* to a company, partnership or individual. In either of these events he will have parted with the whole of his capital asset.

Instead of selling the asset *in toto*, he may sell to another the right to use the knowledge he possesses in respect of a particular territory, or he may sell outright only a part of his knowledge, when the value of the patent or process is "permanently diminished or injuriously affected . . . (so that) the owner has, to that extent, realised part of the capital of his property as distinct from merely exploiting its income producing character." (Per Lord Greene in *Nethersole* v. *Withers* (28 T.C. 501, 514, H.L.).) Again, certainly with patents, he can sell only limited and non-exclusive rights, as in *Margerison* v. *Tyresoles, Ltd.* (25 T.C. 59) and *Rustproof Metal Window Co., Ltd.* v. *Inland Revenue Commissioners* (29 T.C. 243).

Whether the consideration for the disposal of a monopoly or quasi-monopoly is taxable depends, firstly, upon whether the sale is effected by the owner in the course of his trade at the time of the agreement for sale; and, secondly, if the proceeds of sale are received in the course of trade, upon whether they are capital or income in the hands of the recipient. Whereas profits from the sale of fixed assets are receipts on capital account, profits from the sale of circulating capital are receipts on revenue account.

Thus, in the case of an author or dramatist whose brain is his fixed capital, and the books or plays that he produces his circulating capital (per Lawrence, J., in *Billam* v. *Griffith* (23 T.C. 757)) not only profits from royalties and lump sums received in commutation of royalties, but also lump-sum receipts from the outright sale of copyright are assessable, provided they form part of the receipts of the vocation. On the other hand, in *Nethersole* v. *Withers* the proceeds of sale of film rights in a play were treated as capital in the hands of a person not engaged in the trade or profession of dealing in such property, and so was the trustees' share of the profits of publishing a book based on Earl Haig's diaries in *Haig's Trustees* v. *Inland Revenue Commissioners* (22 T.C. 725).

"Know-how" and patents compared

Essentially, however, know-how is more analogous to patents than to copyright. In *Butterworth* v. *Page*, Lord Justice Romer said: "Secret knowledge is as much (the taxpayer's) capital asset as is the patent monopoly the capital asset of the patentee . . . Supposing he sells his secret process or supposing he surrenders his quasi-monopoly by making it public to the world, then I say that, if he gets paid for doing one or the other of these things, the money he receives in payment is a capital asset." Patents, however, but not copyright or "know-how," are subject to the provisions of Section 318 of the Income Tax Act, 1952 (formerly Section 37 of the Income Tax Act, 1945), which makes capital as well as income receipts derived from patent rights liable to tax, subject to a provision for spreading. This statutory provision removes, since April 6, 1946, the distinction, except for purposes of profits tax, which hitherto existed between receipts from patents of a capital nature and those which represented income.

"Know-how" as a question of fact

From a practical standpoint, "know-how" differs from patents and copyright in that it may be a difficult question of fact whether particular information or a particular process falls within the ambit of a quasi-monopoly or not. And since the decision in *Edwards* v. *Bairstow* (36 T.C. 207) a determination by the General or Special Commissioners of a question of fact is open to review if a misconception of law has been responsible for the determination.

In *Moriarty* v. *Evans Medical Supplies, Ltd.* the company, manufacturing chemists and wholesale druggists carrying on a world-wide business, entered into an agreement with the Government of the Union of Burma to establish a government sponsored industry for the manufacture of biological and pharmaceutical products in that country. Under Part I of the agreement the company was to supply the government with drawings, designs, plans, technical data and "know-how" (which was specifically mentioned) necessary for the manufacture, storage and packaging of the several products scheduled to the agreement. The composition of the several products was contained in the *British Pharmacopoeia* and none of them was of a proprietary nature. Information of the kind to be supplied to the Burmese Government was not, however, obtainable from any text-book, but a small number of British and Continental firms had the requisite knowledge how to manufacture the products. Evans Medical Supplies, Ltd., had gained its knowledge over a great many years and, in the opinion of the company, its methods and processes of manufacture were the best. The consideration payable to the company under this part of the agreement was a lump-sum payment of £100,000 which was described as a "capital" payment, and was not divisible.

Under Part II of the agreement, for an annual fee of not less than £25,000 the company was to operate and manage the factory, and, whilst training native personnel, was to provide the necessary staff. The secret processes had never before been disclosed to anyone and, during the currency of the agreement, the company agreed not to disclose them to anyone else in Burma. The company was to be allowed to continue

an existing agency in Burma, but that agency would become increasingly less valuable as the government established its own industry.

The Special Commissioners held that the different parts of the agreement had to be read together as an agreement for the provision of services; that those services were provided by the company in the course of carrying on its trade and that, accordingly, the £100,000 was properly included in the profits of the company for income tax purposes. Upjohn, J., reversed the decision of the Commissioners and held the £100,000 to be a capital payment, as the company was "parting for ever" with secret information to enable the Government of Burma to establish a new and competing pharmaceutical industry in that country. The Court of Appeal, on the other hand, whilst agreeing with the Commissioners that the payment was received by the company in the course of its existing trade, distinguished "formulae or secret processes truly analogous to letters patent, copyright and things of that kind" from "plans and designs" illustrating the way in which the company would lay out the factory and dispose the apparatus therein, which represented only the "recorded fruit of practical manufacturing or operational experience."

Decision of House of Lords

In the House of Lords no fewer than four different opinions were given. Lord Morton, in his opinion, agreed with the conclusion of the Court of Appeal, while Lord Keith considered it impossible to disturb the determination of the Special Commissioners. Lord Denning said the £100,000 was income, being received for the supply of "know-how" over a period of years, but it was not established that such sum was received in the course of the existing trade which was being taxed; it might have been received in the course of a new activity which was not being taxed, but that was not good enough to enable the Inland Revenue to succeed in the Case Stated. The law never gave judgment in favour of a plaintiff when the only finding was equally consistent with liability or non-liability. Viscount Simonds and Lord Tucker were agreed that on the true construction of the agreement the payment of the £100,000 was solely referable to the promises given by the company under Part I of the agreement, and by disclosing secret processes in accordance with those promises the company was parting with a capital asset for which it was receiving a capital sum. Accordingly, on a majority view, the whole of the £100,000 was to be excluded from the computation of the profits of the company.

The Lord Chancellor said it was manifest, on the authority of *Butterworth* v. *Page*, that a secret process, whether in composition or methods of storing and packing, was something which could be disposed of for value, and by imparting the secret to another, its owner did something which could not fairly be described as rendering a service. The Special Commissioners had fallen into error which vitiated their determination when, holding as they did that the agreement was one for the provision of services, they went further and said that in any event the company had not "sold or assigned any property" to the Burmese Government. There was, however, still the question whether the assets sold to the government were "assets of fixed value" from the standpoint of income tax. Of paramount, if not decisive, importance in this connection was the agreement itself. Under it the company had parted with something which had secured to it in the past a substantial part of the Burmese market, for which the government was prepared to pay no less than £100,000. Its loss would mean that the company had parted with the source, or one of the sources, of its profits. It would pass the wit of man, his Lordship said, to apportion the £100,000 between the several items comprised in Part I of the agreement which were "clearly, less clearly or doubtfully of a capital nature," just as it would be difficult to separate the value of a secret imparted to the government from the value of the service rendered in imparting it.

The case having been argued throughout on an "all or nothing" basis, Lord Denning very much doubted whether it was open to the Court of Appeal to remit the case to the Commissioners, as they had done, with a direction to divide up the £100,000 between (i) information about secret processes and (ii) "information about other things." The information about other things was technical knowledge which was not secret but was valuable in that it could be obtained only from firms who were expert in it. The distinction was between information which was secret and information which was scarce, but the money was paid for the same sort of thing in either case and the parties to the agreement did not seek to draw any distinction between the two. The £100,000 was a single payment for "know-how."

In the result, therefore, it seems quite unmistakable that the field of knowledge occupied by the term "know-how" has been extended beyond the limits placed on it by the Court of Appeal so as, apparently, to include any kind of expert knowledge (outside professional knowledge) which constitutes a saleable business asset. However, the sharp distinction between *trading* in "know-how" and *realising* "know-how" still remains, so that the terms of the agreement for sale and of the memorandum of association of the vendor company will be most relevant. It must always be remembered, however, that the memorandum of association is evidence of what a company intends to do: it is not evidence of what the company actually does.

Clitas

Release 41 of "*Current Law*" *Income Tax Acts Service* deals with the promise of the Chancellor of the Exchequer to increase the income limit for dependent relative allowance to £135. Release 42 brings new pages to be substituted in the main volume in reflection of the changes introduced by the Finance Act, 1957. Many pages are affected.

Taxation Notes

New Concessions

On pages 71–75 of this issue we give the consolidated list of extra-statutory concessions in operation at December 31, 1956. Three of them have not hitherto been published by the Inland Revenue. The three are:

No. 6, which provides that the practice hitherto of basing the Schedule A assessment on newly-constructed or structurally-altered property in England and Wales on the basis of the rating valuation has been suspended because of the new rating valuations. New or altered property is now assessed for Schedule A on the basis which would have applied had the assessments been made before April 1, 1956.

No. 11, confirming the practice of allowing the superannuation contributions of doctors and dentists to be set against Schedule D assessments where relevant. There may, however, have to be a restriction where the practitioner also pays premiums or contributions towards a retirement annuity.

No. 29, providing that where no credit is allowable in the United Kingdom for oversea tax on business profits arising overseas, the tax paid in the oversea territory can be treated as an expense of the business. The taxpayer has the right to forego credit and charge the tax as an expense.

Deduction of Tax from Dividends

The profits of a company must be computed for income tax purposes without any deduction in respect of any dividend on shares. The company is then entitled to deduct income tax at the standard rate in force when the dividend is payable, provided the dividend is paid out of profits that have been charged to tax or that would be chargeable if assessments had to be made on actual profits of the year instead of on the usual basis. Should a company pay a dividend that exceeded the total of those profits it would have no right to deduct tax from the excess. There is no right to deduct tax from a dividend paid out of a capital gain.

If the company pays a dividend (other than a Preference dividend) out of revenue profits and does not deduct income tax or deducts insufficient tax, the dividend is regarded as the net amount of a gross dividend equal to the amount which when tax at the standard rate was deducted would leave the dividend actually paid. In the case of a Participating Preference share, the non-fixed portion of the dividend has in such circumstances to be grossed up. A "tax free" rate must always be grossed up. A Preference dividend paid without deduction of tax is regarded as paid tax free and must be grossed up.

A dividend paid by a non-resident company out of capital gains is assessable on the recipient under Schedule D, Case V, unless it is paid through a paying agent who must deduct tax and pay it direct to the Revenue. A non-resident company cannot deduct United Kingdom tax, even if it bears some. Under Case V any dividend is assessable, whereas a dividend from a United Kingdom company cannot be assessed; it is income only if subject to deduction of tax. In the case of a company abroad, so long as the taxpayer's asset (i.e. his shareholding) remains intact, it is immaterial whether the profits are capital or from trading (*Reid* v. *C.I.R.* [1949] A.C. 361).

Every dividend must be accompanied by a voucher showing the gross amount, tax thereon, net amount paid and (where relevant) the net United Kingdom rate of tax after double taxation relief.

Illustration

A company commenced business on November 1, 1955, and made up its accounts for the year to October 31, 1956, showing a loss of £1,200. The accounts to October 31, 1957, showed a profit of £2,000. The company could deduct tax from a dividend of up to £2,000 in 1957/58 although it would not have to pay any tax until 1958/59 and then only on £800. It is, of course, unlikely that the company would pay away more than £800, but the principle is as shown.

There is no question of a company having to pay over to the Revenue the tax deducted from dividends; the company retains it.

However, any dividend paid out of exempt trading profits by an Overseas Trade Corporation is assessed on the company under Case VI of Schedule D, because the profits are not otherwise chargeable to United Kingdom tax.

Common Sense

When completing an income tax return for a client, an accountant ought to satisfy himself that the client has resources which balance his expenditure. Many back duty cases could have been avoided if the precaution had been taken. Only recently, a case came to our notice where the taxpayer, the owner of all the shares in a private company, had lent to the company for two years running more than the net remuneration and dividends drawn from the company, but had practically no private income and no private funds available. Not unnaturally the Inspector of Taxes wanted to know the source of the money needed to pay for living expenses and other personal outgoings. Investigation showed that many cash sales had not been recorded. Had the accountant been alert he could have put his client back on the right road at an earlier stage.

Often it is wise to inspect the private bank statements. Tact has, of course, to be used. Living expenses today are heavy and the client's mode of life ought to be some guide on the expenditure to be covered.

A Canadian Introduction to British Tax

A pamphlet has been issued by the Canadian Tax Foundation summarising taxes in the United Kingdom. This is one of the most concise summaries that it is possible to imagine. It sets out the liability for income tax and profits tax and explains the system of deduction at source. Schedules are concisely summarised and general guidance is

given on the deductions allowable from business income. The pamphlet then deals with personal deductions and explains the liability to surtax for both individuals and controlled companies. A brief but informative outline of the profits tax follows and the pamphlet ends with a summary of the provisions regarding double taxation relief.

To anyone wanting an introduction to taxation in the United Kingdom, it would be difficult to find anything better than this publication.

The pamphlet is one of a series on taxation in various countries. A copy may be obtained on request from the Foundation at 154 University Avenue, Toronto, 1, Canada. We would suggest that readers from outside Canada writing for a copy should meet the postage by sending an international reply coupon.

Deferment of Payment of Schedule A Tax

A tenant under a short lease who is assessed to income tax under Schedule A is entitled to deduct from his next payment of rent the tax paid, but not exceeding tax at the standard rate on the rent. Quite frequently the tax so deductible exceeds the next instalment of rent due and Section 173 (3) of the Income Tax Act, 1952, allows the tenant to give notice to the Collector (on a special form) deferring for three months the payment of the excess of the tax deductible over the next instalment of rent due. He thus obtains the opportunity to deduct from a future instalment of rent:

Illustrations

	(1) £ s. d.		(2) £ s. d.
Rent	130		80
Net annual value	105		105
Income tax payable: £105 at 8/6	44 12 6		44 12 6
Tax deductible from landlord	44 12 6	£80 at 8/6=	34 0 0
Quarter's rent	32 10 0		20 0 0
Tax deferred to April 1	£12 2 6		£14 0 0
Tax payable January 1	£32 10 0		£30 12 6

In the second instance the tenant has to pay on January 1:

Tax equal to the quarter's rent	£20 0 0
Tax on his beneficial occupation: (£105 — £80 =) £25 at 8/6	10 12 6
	£30 12 6

It is common for tenants to pay the instalments in time to deduct from the rent due on December 25 and March 25 so as to avoid nearly three months' delay in recouping the tax.

The landlord is entitled to see the income tax receipt.

Should there be no rent payable after the tax has been paid, the tenant must bear the tax himself. Similarly, if no rent is payable for the period for which the Schedule A tax has been paid the tenant must bear it, e.g. where the tenant repairs premises in the first year in return for a peppercorn rent. Tax due for the period when rent is accruing can be deducted from that rent when paid, even if it is paid much in arrear.

In the case of a long lease, the rent is an annual payment from which tax is deductible at the standard rate as if it fell under Sections 169 and 170 of the 1952 Act (Section 177).

Capital Allowances Added to a Loss—Since, under the provisions of Section 137, Income Tax Act, 1952, depreciation of fixed assets cannot be deducted in arriving at profits for the purposes of income tax (instead capital allowances are deducted in the assessment before the tax payable is computed) if a business incurs a loss in the year of assessment, for income tax purposes that loss is understated, for depreciation has not been charged in computing the amount of the loss. To avoid such understatement, Section 20, Finance Act, 1954, provides that for the purposes of a claim under Section 341 the taxpayer may increase the loss by the amount of the capital allowances falling to be made in charging the profits or gains of the year of assessment in which the loss is claimed to have been sustained. The capital allowances, except to the extent that relief has already been given for them, will be those calculated on the assets purchased in and in use at the end of the basis period for the year of assessment in which the loss was incurred.

Illustration (1)

A company makes up its accounts annually to April 5. In the year to April 5, 1957, it incurs a loss for which relief is claimed under Section 341. The loss is incurred in 1956/57, therefore the capital allowances which can be added to the loss are those for 1956/57. These capital allowances were computed by reference to the accounts for the year to April 5, 1956.

Capital allowances for which relief has already been given against assessments cannot be added to the loss.

Illustration (2)

The company in illustration (1) showed in its accounts to April 5, 1956, an adjusted profit of £2,400 and in its accounts to April 5, 1957, an adjusted loss of £1,000. Capital allowances for 1956/57 were £900. Nothing can be added to the loss in respect of capital allowances. The company will be liable in 1956/57 to tax on:

	£
Profits	2,400
Less Capital allowances	900
	£1,500

Relief has already been given for the capital allowances for the year of assessment in which the loss is incurred. The Section 341 relief will be on the loss of £1,000 only.

Capital allowances brought forward from previous years cannot be added to the loss for the purposes of Section 341, but in charging profits to tax, relief is to be given for capital allowances for earlier years first. This provision has the effect of restricting the addition to the loss to the capital allowances for which relief has not already been given, with the further restriction that only the capital allowances for the year of assessment can be considered.

Illustration (3)

A company makes up its accounts to

October 31 in each year. In the year to October 31, 1956, there is an adjusted profit of £2,600; in the year to October 31, 1957, an adjusted loss of £4,000. Capital allowances brought forward from 1956/57 were £2,000, capital allowances for 1957/58 were £3,000.

	£	£
Assessment, 1957/58 ..		2,600
Less Capital allowances, brought forward ..	2,000	
for year	3,000	
		5,000
Capital allowances available		2,400
Loss in 1957/58		4,000
Add Capital allowances available (less than capital allowances for 1957/58)		2,400
Available for Section 341 claim		6,400

Had the capital allowances brought forward been £3,000 and the allowances for 1957/58 £2,000, the amount available for a Section 341 claim would be £6,000:

	£
Loss in 1957/58	4,000
Add Capital allowances for year	2,000
	6,000

—Or Used to Turn a Profit into a Loss

Notwithstanding that a taxpayer has made a profit in the year of assessment, if the unrelieved capital allowances for that year exceed that profit, relief under Section 341 may be claimed in respect of the excess.

Illustration

The accounts for the year to January 31, 1957, show a profit of £600 and for the year to January 31, 1958, a profit of £160. Capital allowances brought forward are £820 and for 1957/58 £360. A Section 341 claim for 1957/58 may be made on £200, as follows:

	£	£
Assessment, 1957/58 ..		600
Less Capital allowances, brought forward ..	820	
1957/58	360	
		1,180
Unrelieved allowances		580
Profit made in 1957/58 ..		160
Less Capital allowances for year (less than those unrelieved) ..		360
Loss ..		200

The sum of £200 may be set off against other income in 1957/58, but it must not be forgotten that the computation in the immediately preceding illustration was made to ascertain a loss for a specific purpose. The profits earned in the year to January 31, 1958, will be liable to tax in 1958/59 under the provisions of Section 127, Income Tax Act, 1952. The capital allowances for which relief can be given in 1958/59 and succeeding years are:

	£
Capital allowances unused, as above	580
Less Claimed under Section 341	200
Available against assessment for 1958/59 and following years	380

It cannot too often be emphasised that it is only the amount of the allowances on which relief is actually given under Section 341 that is regarded as used and not available for carrying forward to following years.

Retaining Fees

Questions have been asked about the assessability of retaining fees and similar remuneration in a year of assessment in which the recipient is not called upon to do any work. It has been suggested that Section 10, Finance Act, 1956, does not cover such payments. However, it would be difficult to take such a payment out of the words of Schedule E, Case I. The retainer is to keep the recipient available and one of the duties of his office is to be available. If he is resident and ordinarily resident in the United Kingdom (U.K.) and does not perform the duties wholly outside the U.K., he is under Case I. Should he be not ordinarily resident in the U.K., Case II will apply and if he is not resident in the U.K., Case III. The fallacy in thinking that the Section does not apply seems to lie in the idea that some active work must be done. But "duties" seems to be a wider term; the man is paid to "stand by"—that is a duty.

Farmers' Income Tax

A revised edition, the sixth, of this booklet, incorporating changes up to and including the Finance Act, 1957, has been published by H.M. Stationery Office at 1s. 9d. net. The booklet is compiled by the Inland Revenue Department in collaboration with the Ministry of Agriculture, Fisheries and Food and the Department of Agriculture for Scotland. Its main object is to describe in simple terms how a farmer's income tax is worked out: it attains this object admirably.

There are set out the ways in which farm profits may be charged to tax and information about the allowances that can be claimed and the tax on some other kinds of income.

As we said in reviewing the previous edition in July, 1954, it might be worthwhile presenting a copy to certain clients. It is also useful to refresh one's own memory on such things as the valuation of tillages, unexhausted manures and growing crops, the valuation of livestock and the herd basis.

Extra-Statutory Concessions

We give the complete list of extra-statutory concessions. It is reproduced from Appendix IX to the hundredth report of the Inland Revenue (see also page 68)

The concessions were in operation at December 31, 1956. They are of general application, but it must be borne in mind that in a particular case there may be special circumstances which will require to be taken into account in considering the application of the concession.

INCOME TAX

1. *Agricultural depression*

Relief from income tax, Schedule A, is granted in respect of remissions of rent of farm land on account of agricultural depression.

2. *Unoccupied land*

Relief from income tax, Schedules A and B, is allowed on waste and unenclosed land, and on agricultural land which the owner is unable to let or to farm himself.

3. *Lost rent*

Relief from income tax, Schedule A, is allowed in respect of rent which is wholly and irrecoverably lost or waived owing to the bad financial circumstances or absconding of the tenant. (In Northern Ireland the relief is statutory.)

4. *Unworked mills and factories*

Relief from income tax, Schedule A, is allowed under the head of "empty property" where mills or factories are unworked, notwithstanding that they contain machinery and that the machinery is turned occasionally for the prevention of rust.

5. *Maintenance of property*

Section 101, Income Tax Act, 1952, provides that, if the owner of land or houses proves that the cost to him of maintenance, repairs, insurance and management, on the average of the five years preceding the year of claim, exceeds the flat rate repairs allowance for that year, he can claim repayment of income tax, Schedule A, on the property up to the amount of tax on the excess. The following relaxations are allowed:

(*a*) Where the claimant owns both lands and houses, the claim may be based on aggregate expenditure on lands and houses taken together, irrespective of the actual separate expenditure on each of the two classes of property.

(*b*) Where a new owner is unable to obtain details of previous owners' maintenance expenditure, a claim is admitted on the basis of his actual expenditure in the year of claim (provided that the expenditure is not exceptionally heavy) until a five years' average is available, if the claimant undertakes to accept the "actual year" basis for five complete years.

(*c*) The estimated cost of repairs obviated by alterations is allowed, provided the alterations have not created a new subject of assessment.

(*d*) Where plant or machinery is employed for property maintenance, the actual expenditure on renewals of the plant or machinery as and when incurred qualifies for inclusion in a maintenance claim. As an alternative to this basis of claim, however, the claimant may charge, in place of the actual outlay on renewals, the normal allowances for initial allowances, wear and tear, etc., which would be due under Chapter II, Part X, Income Tax Act, 1952, if the plant or machinery were employed in a trade or business.

6. *Basis of assessment of new and altered owner-occupied property first occupied on or after April 1, 1956.**

Newly erected or structually altered property in England and Wales which is occupied by the owner has in the past usually been assessed for income tax, Schedule A, on the basis of its valuation for rating. This has been done because the definition of gross value contained in the Rating and Valuation Acts corresponded closely to the definition of annual value for the purposes of Schedule A. Since the rating revaluation came into force on April 1, 1956, however, the new rating assessments have not been used for Schedule A purposes and Schedule A assessments on this type of property are instead continuing to be made at the figures which would have applied had the assessments been made before April 1, 1956.

This concession is subject to the concurrence of the General Commissioners of Income Tax for the division in which the property is situated.

7. *Business passing on the death of a trader*

The death of a trader and the consequent passing of his business to his successor is an occasion for the application of the discontinuance provisions of the Income Tax Acts. Where, however, a business passes on death to the trader's husband or wife who has been living with her or him, the discontinuance provisions are not enforced unless claimed. But in any case, losses and capital allowances for which the deceased had not obtained relief are not permitted to be carried forward.

8. *Machinery or plant: changes from a "renewals" to a "wear and tear" basis*

Expenditure on machinery or plant which has been the subject of a "renewals" deduction does not technically qualify as capital expenditure for the purpose of annual "wear and tear" allowances or balancing allowances (Section 330 (1) (*a*), Income Tax Act, 1952). Taxpayers who change from a "renewals" to a "wear and tear" basis are, however, permitted to claim such allowances as if the expenditure did so qualify.

9. *Management expenses*

Under Sections 425 and 438, Income Tax Act, 1952, life assurance companies, etc., which are charged to tax on interest, etc., by deduction or otherwise, and not on profits under Case I of Schedule D, are entitled to claim repayment of tax on management expenses.

The initial and annual depreciation allowances which would be given under the provisions of the Income Tax Acts on office machinery and motor cars used for trade purposes, if the trade were assessed under Case I of Schedule D, are treated as management expenses for the purposes of claims under those Sections. Similarly, the net annual value of premises owned and occupied for trade purposes is also treated as management expenses.

10. *Deficiency payments in respect of home-grown cereals*

Deficiency payments in respect of home-grown cereals should in strictness be credited, in the case of wheat and rye, by reference to the dates when the crops were sold and delivered, and, in the case of barley, oats and mixed corn crops, by reference to the dates of harvesting as grain. In practice, except where the "commencing" or "ceasing" provisions apply, final deficiency payments for cereals other than wheat are, however, allowed to be brought into account in the farmer's accounting year in which such payments are notified.

Further, where total deficiency payments are small or where they have been dealt with in the accounts in such a way that any adjustment in respect of such payments would be unlikely to make more than a small variation in the profits, no objection is raised to the liability being settled on the basis of the accounts.

11. *Doctors' and dentists' superannuation contributions**

Under Section 378, Income Tax Act, 1952, contributions required to be made in pursuance of a public general Act ofParliament by the holder of an office or employment towards the provision of superannuation benefits may be deducted in assessing his emoluments. Section 378 is, in practice, treated as extending to assessments under Schedule D on the profits of a medical or dental practitioner who is required to make superannuation contributions in pursuance of the National Health Service Acts. Where, however, the practitioner also pays premiums or contributions towards a retirement annuity within Section 22, Finance Act, 1956 the deduction for his statutory contributions is restricted to the difference between the amount on which relief is due under the Act

* Not included in previous lists of concessions.

of 1956 and the greatest amount on which he could claim such relief on paying a sufficient premium.

12. *Flat-rate allowance for cost of tools and special clothing*

An employee who has to bear the cost of providing tools or special clothing necessary for his work is entitled, under paragraph 7, Ninth Schedule, Income Tax Act, 1952, to an allowance for the expenditure incurred. For most classes of trade flat-rate allowances have been agreed with the trade unions concerned, and these allowances are given without enquiry as to the expenditure actually incurred in the individual case. The existence of a flat-rate allowance does not, however, debar an individual employee from claiming as a deduction the actual expenses he has incurred.

13. *Miners: allowances in lieu of free coal*

Income tax is not charged on cash payments received by miners from their employers in lieu of the free coal which they have been entitled to receive by virtue of their employment.

14. *Pensions to police officers and firemen*

The amount by which the special pension awarded on retirement through disablement from injury on duty (or from war wounds) exceeds the pension which would have been awarded if retirement had been on ill-health grounds is not treated as income for income tax purposes. Similarly, a disability pension awarded in addition to a retirement pension is not treated as income.

15. *Children of war widows*

(*a*) The exemption from income tax given by Section 380 (3), Income Tax Act, 1952, to payments made by the Ministry of Pensions to widows of members of the Forces in respect of their children is applied to similar payments in respect of children made to "unmarried wives", and also to similar payments in respect of children made to widows and "unmarried wives" of members of the Mercantile Marine and to widows of civilians who have died from war injuries.

(*b*) The same exemption is also applied to similar payments in respect of children which are made to war widows (or "unmarried wives") by Commonwealth governments.

16. *Directors' travelling expenses*

The general rule is that the cost to a taxpayer of travelling to and from his place of business is not allowable as a deduction in computing his tax liability; consequently, the full amount of an allowance paid by a company to a director or senior employee in respect of such expenses is chargeable to tax under Chapter II, Part VI, Income Tax Act, 1952. The rule is modified in the following types of case:

(i) A director (whether whole or part time) of two or more companies within a group of parent and subsidiary or associated companies, whether or not entitled to separate remuneration from each of the companies of which he is a director, is regarded as having one place at which he normally acts as a director of companies within the group, and as entitled to a deduction (or a dispensation from assessment under Section 164, Income Tax Act, 1952) for expenses necessarily incurred in travelling from that place to other places on the business of the group in the course of his duties as a director. The same principle is applied to an individual who is an employee of one company and a director of another company within the same group of companies. (By "associated company" is meant a company on whose board the group is represented because of the group's shareholding or other financial interest.)

(ii) A director who gives his services without remuneration to a company not managed with a view to dividends (for example, a company owning a hall or sports ground, or running a club) is not treated as assessable in respect of any travelling expenses paid to him.

(iii) Where a directorship is held as part of a professional practice (and not, for example, because of some direct or indirect financial interest in the company), expenses incurred by the director in carrying out his duties are allowed as deductions in assessing the profits of the practice under Schedule D, whether the practice is carried on alone or in partnership. Reasonable expenses paid to the director by the company are accordingly not assessed upon the director under Schedule E, provided no claim is made to a deduction under Schedule D.

"Travelling expenses" includes in all cases reasonable hotel expenses necessarily incurred.

17. *Expenses allowances and benefits in kind*

Under Chapter II, Part VI, Income Tax Act, 1952, expenses allowances and benefits in kind received by directors and (with certain exceptions) by senior employees are assessable to tax as emoluments of the director or employee, subject to a deduction for expenses incurred which satisfy the conditions laid down in paragraph 7 of the Ninth Schedule to the same Act. The following relaxations are made in practice:

(*a*) No assessment is made in respect of removal expenses borne by the employer where the employer has to change his residence as a result of transfer to another post within the organisation provided that the expenses are reasonable in amount and their payment is properly controlled. "Removal expenses" includes such related items as a temporary subsistence allowance while the employee is looking for accommodation at the new station.

(*b*) Where the benefit assessable consists of a rent-free house, the director or employee is chargeable on the annual value (or the rent paid by the employer) and on expenses borne by the employer, such as rates. The amounts charged on the employee are restricted in the case of a patently old-fashioned and too large house.

(*c*) Under Section 161 (3), Income Tax Act, 1952, living accommodation provided for an employee (as distinct from a director) in part of the employer's business premises is exempt from charge under Chapter II, Part VI, where certain conditions are satisfied. In practice the exemption is also allowed in the case of a full-time director of a company whose beneficial share-holding does not exceed 5 per cent. of the ordinary share capital, unless his emoluments (including the value of benefits within the scope of Chapter II) exceed £2,000.

18. *Dependent relative allowance*

Where a dependent relative (within the meaning of Section 216, Income Tax Act, 1952) does not reside with the claimant and receives from him less than the amount of the allowance provided for by that Section (as amended), an allowance of the actual amount of the contribution is given, though in strictness the requirement that the relative should be "maintained" by the claimant is not fulfilled. Where contributions are made by two or more persons, though not amounting in all to the statutory allowance, an allowance of his actual contribution is given to each.

19. *Members' contributions to trade unions*

So much of a member's contribution to a trade union (whether registered or not) as is allocated to superannuation benefits, in addition to any portion allocated to funeral benefits or life assurance, is treated as qualifying for life assurance relief.

20. *Residence in the United Kingdom: year of commencement or cessation of permanent residence*

For the income tax year in which a person comes to the United Kingdom to take up permanent residence his income from abroad is not assessed on the basis of the income for a full income tax year but is computed by reference to the period of his residence here during the year. A similar practice is adopted for the income tax year in which a person ceases to reside in this country if he has left here for permanent residence abroad. (This concession does not apply to changes of permanent residence between the United Kingdom and the Republic of Ireland.)

21. *Minors and contingent interests*

Section 398 (2), Income Tax Act, 1952, provides, in general, that sums paid under an irrevocable settlement of capital to a child of the settlor, being a child who is an infant and unmarried at the commencement of the year of assessment in which the sum is paid, are to be treated for income tax and surtax purposes as income of the settlor and not of the child. Sums which have been accumulated under such a settlement contingently on the child attaining the age of 21 or marrying and which are handed to the child on the happening of either contingency are not treated as caught by the subsection.

22. *Interest, etc., paid otherwise than out of taxed income*

Under Section 170, Income Tax Act, 1952, tax deducted from interest, annual payments, etc., paid otherwise than out of taxed income has to be paid over to the Revenue.

Where interest, etc., is so paid in a later year than the due year, but in the due year could have been paid wholly or partly out of taxed income, an allowance is made, in fixing the amount to be paid over under Section 170, for the tax which the payer would have been entitled (under Section 169 of the same Act) to deduct and retain if the interest, etc., had been paid at the due dates.

If hardship would otherwise be caused, a similar allowance is made in the case of a trust or other non-trading institution paying interest, etc., out of the taxed income of past years.

23. *Interest paid in full by a trader to a building society*

Where, for the purposes of his trade, profession or vocation, a person pays annual interest in full to a building society which has entered into the special arrangements under Section 445, Income Tax Act, 1952, but his income is not sufficient to enable relief to be given under that Section in respect of the whole of the interest, the amount in respect of which relief cannot be given is treated for the purpose of carry-forward relief as if it had been assessed under Section 170, Income Tax Act, 1952.

24. *Double taxation relief: deduction of unrelieved oversea tax*

Where oversea tax is credited against United Kingdom tax under a double taxation agreement or is the subject of unilateral relief, any excess of oversea tax which cannot be so credited or relieved is deductible in computing the amount of the oversea income for income tax and profits tax purposes. Where there are relevant distributions chargeable to profits tax at the higher rate, the effect of the deduction is ordinarily to increase the total tax liability, and where this is so, no deduction is made for income tax or profits tax purposes.

25. *Double taxation relief: United Kingdom branch of non-resident bank*

Tax credit relief under double taxation agreements is available under the law only to persons who are resident in the United Kingdom. Where, however, the United Kingdom branch of a non-resident bank has in the past received Dominion income tax relief on its investment income, but owing to the conclusion of a double taxation agreement such relief is no longer available, tax credit relief is given on the same income as though the bank were resident in the United Kingdom.

26. *Double taxation relief: building society interest*

Paragraph 5, Sixteenth Schedule, Income Tax Act, 1952, provides that credit for oversea tax shall not exceed the sum arrived at by charging the doubly taxed income at a rate (generally known as the "effective rate") ascertained by dividing the United Kingdom income tax payable by the taxpayer for the year by his total income for the year. Interest received from a building society which has entered into the special arrangements under Section 445, Income Tax Act, 1952, is left out of account in calculating the effective rate.

27. *Oversea tax for which credit is not allowable**

Tax paid in a country outside the United Kingdom by a United Kingdom resident on business profits arising there is, in general, treated as an expense of the business if credit against the United Kingdom tax on those profits is not allowable or the right to forgo credit is exercised.

28. *Bank interest, etc., received by charities*

The exemption from tax under Schedule D in Section 447 (1) (*b*), Income Tax Act 1952, in favour of charities extends to yearly interest or other annual payments forming part of the income of a charity. In practice this exemption is extended to bank interest, whether yearly or not, received by charities and to discount on Treasury Bills held by charities.

29. *Income of Roman Catholic religious communities or of their members*

The precise legal position as regards the title to such income, which is in fact treated by the community as belonging to the common fund, is often difficult to ascertain. In practice in the case of certain Orders (such as those engaged in charitable work among the poor) relief is given under the provisions relating to charities; in the case of the Contemplative Orders and other Orders which are not in law capable of being regarded as charities, a proportion of the aggregate income not exceeding £70 per monk or nun (as representing the amount applied for the maintenance of each individual) is regarded as his or her income for the purpose of relief from tax.

30. *Charities exempt from charge to income tax, Schedule D Case VI—short leases*

Charities are entitled to statutory exemption from tax on rents payable to them where the tax is chargeable under Schedule A, or, in the case of rents under leases for periods exceeding 50 years, under Schedule D. In practice, exemption is also given from tax chargeable under Schedule D on "excess rents" under leases for shorter periods.

31. *Loan and money societies*

A loan or money society is granted such relief as will restrict the net income tax liability to tax on the amount of dividends and interest paid or credited to members or depositors having taxable income, less, as regards members, an appropriate deduction for management expenses contributed by them. The tax is calculated at the reduced rates on dividends and interest accruing to members and depositors who are liable only at the reduced rates.

32. *Holiday clubs and thrift funds*

Clubs formed annually for the purposes of providing facilities for saving towards holidays are allowed such relief as will restrict the net income tax liability to tax on the proportion of liable income applicable to members having taxable income. Similarly, in the case of a thrift fund the relief allowable is such as will restrict the net income tax liability to tax on the amount of profits or interest paid or credited to members having taxable income. The tax is calculated at the reduced rates on income accruing to members liable only at those rates.

* Not included in previous lists of concessions.

33. *Registered trade unions*

The exemption of registered trade unions under Section 440 (2), Income Tax Act, 1952, from income tax under Schedules A, C and D in respect of interest and dividends applicable and applied solely for the purposes of provident benefits is in practice extended to rents. It is also extended to interest, dividends and rents of any year in so far as they are actually applied to provident benefits within that year (although not "applicable solely" to such benefits).

SURTAX

1. *Deduction for mineral rights duty*

Payments of mineral rights duty are not allowable as deductions in computing total income for taxation purposes. For surtax purposes, however, an individual whose income includes mineral rents and royalties is allowed a deduction, in computing his total income, in respect of mineral rights duty borne by him on the rents, etc., receivable for that year. The deduction allowed is 1s. in the £ of the gross mineral rents and royalties receivable (less any amount on which repayment of income tax in respect of management expenses has been made under Section 181, Income Tax Act, 1952).

2. *Administration of estates: deficiencies of income allowed against income of another year*

Under Section 419, Income Tax Act, 1952, a person who has an absolute interest in the whole or part of the residue of the estate of a deceased person is treated, during the administration period, as entitled to the residuary income of the estate (that is, the gross income less certain deductions, for example, in respect of annuities payable) or to the appropriate proportion thereof. If for a particular year the deductions allowable are greater than the gross income of the estate, the excess is allowed as a deduction in computing the net income of the preceding or succeeding years.

PROFITS TAX

1. *Directors' remuneration from director-controlled companies*

Paragraph 11, Fourth Schedule, Finance Act, 1937 (as amended by Section 34, Finance Act, 1952) lays down, in the case of director-controlled companies, certain limits on the amount of the remuneration of the directors (other than whole-time service directors not owning or controlling more than 5 per cent. of the ordinary share capital) which is to be allowed as a deduction in computing the profits of such a company for profits tax purposes. As from the beginning of 1951, in certain cases the limits depend on, *inter alia*, whether, for more than half the chargeable accounting period, there are two or more directors of the company (not being "whole-time service directors") who are required to devote substantially the whole of their time to its

service in a managerial or technical capacity. If a director works as such for more than one company he is in practice regarded as falling within this definition in relation to that company which has occupied the largest fraction of his time during the chargeable accounting period if:

(*a*) he has worked substantially full-time for the companies as a whole for more than half the chargeable accounting period; and

(*b*) the time worked for the particular company under consideration amounts in the aggregate to more than half the full normal working hours of the chargeable accounting period.

2. *Determination of net relevant distributions to proprietors*

Section 39 (2), Finance Act, 1947, provides that where a body corporate not ordinarily resident in the United Kingdom controls, directly or indirectly, not less than half the voting power in a United Kingdom body corporate, distributions by the United Kingdom body to the oversea body shall be left out of account in determining the distributions to proprietors of the United Kingdom body taxable at the higher (distributed) rate. In a case where the oversea body exercises its control of the United Kingdom body indirectly through the medium of a 100 per cent. United Kingdom subsidiary, distributions by the first mentioned United Kingdom company to that subsidiary are ignored in the same way as if they had been made to the foreign company.

INTEREST ON UNPAID TAX

1. *Death of taxpayer before due date for payment of tax*

Section 8, Finance (No. 2) Act, 1947 (see now, as regards income tax, Schedule D, and surtax, Section 495, Income Tax Act, 1952) provided for interest (at 3 per cent. per annum) to be charged on unpaid Schedule D tax, surtax and other taxes where:

(*a*) the tax due on the assessment in question is more than £1,000, and

(*b*) payment is not made within three months of the date on which the tax fell due.

Where a taxpayer has died before the date on which the tax fell due and his executors or administrators cannot pay the tax before they obtain probate or letters of administration, the interest charge on the unpaid tax is abated to the amount (if any) which would have been charged if the tax had become due on the date on which probate or letters of administration are obtained.

ESTATE DUTY

1. *Mourning*

A reasonable amount for mourning for the family and servants is allowed as a funeral expense.

2. *Duty payable in Commonwealth countries*

Where no double taxation relief (under Section 20, Finance Act, 1894, or Section 54, Finance (No. 2) Act, 1945) is available in respect of duty payable in another part of the Commonwealth on property situated there, the duty is deducted from the capital value of the property in question in order to ascertain the value thereof chargeable with British estate duty. In strict law such a deduction is only admissible where the property is situated in a foreign country.

3. *Roman Catholic religious communities*

The property of Roman Catholic religious communities whose purposes are charitable is treated as trust property held for a charitable purpose even where there is no enforceable trust, with the result that estate duty is not claimed on the death of one of the nominal owners of the property.

4. *Pensions, etc., to police widows and dependants*

Estate duty is not claimed on pensions and other payments made upon a policeman's death to his widow or dependants under the Police Pensions Act, 1921, or the Police Pensions Act, 1948.

5. *Surrender or discharge of legal rights in a Scottish estate*

Where a surviving spouse or child within five years before his or her death unconditionally surrenders or discharges certain legal rights in a Scottish estate (*jus relicti, jus relictae* or *legitim*), estate duty is not claimed, although it could be claimed under the provisions of Section 45 (2), Finance Act, 1940.

6. *Disclaimer of certain rights under an English intestacy*

Where the surviving spouse of a person dying intestate disclaims unconditionally his or her right under English law to a net sum charged upon the intestate's residuary estate, estate duty is not claimed in connection with the death of the spouse although it could be claimed under the provisions of Section 45 (2), Finance Act, 1940.

7. *Special contribution attributable to gifts* inter vivos

Where a death occurs before the end of the year 1947–48, Section 64, Finance Act, 1948, provides for a measure of relief from special contribution in respect of assets on which death duties are payable. Where the death occurs after 1947–48, Section 64 affords no relief, but if by reason of such a death estate duty becomes payable in respect of a gift *inter vivos* and the income from the gift has been taken into account in an assessment to special contribution on the donee, the proportion of the special contribution attributable to such income is allowed as a deduction against the value of the gift for estate duty purposes.

8. *Loans to the Treasury free of interest*

Certain British Government securities are exempt from death duties so long as they are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom. In similar circumstances, exemption is allowed in respect of moneys loaned to the Treasury free of interest.

9. *Valuation of house owned and occupied by the deceased*

The general rule of valuation of property for purposes of estate duty is to take the market value at the date of death.

(*a*) In the case, however, of a house owned and occupied by the deceased, where a near relative of the deceased who was ordinarily resident with him at the date of death remains in the house and has no other place of residence available, any increase in the market value above the pre-war value is disregarded in so far as it could only be realised by a sale with vacant possession. The valuation made on that basis would, however, be reviewed if the house were sold or let within a reasonable period of (say) two years after the death.

(*b*) In the case where a house to which the concession at (*a*) above has been applied is sold within two years of the death and the proceeds of sale are wholly utilised by the relative of the deceased in the purchase of another house for his own occupation, the basis of valuation at (*a*) is not disturbed. Where, however, the proceeds are only partly so utilised, the second house costing less than the amount realised on the sale of the first house, estate duty is charged on the proceeds subject to a deduction to the extent to which the purchase price of the second house is attributable to the premium for vacant possession.

10. *Value payments under the War Damage Act, 1943*

Where the payment of duty on value payments under the War Damage Act, 1943, is postponed under the terms of Section 6 (3), Finance Act, 1894, the taxpayer is given the option of paying duty either:

(*a*) on the statutory basis, namely on the value at the deceased's death of the sum received, with interest on the duty from the date of death; or

(*b*) on the actual sum received, with interest on the duty from the date of receipt.

11. Inter vivos *gifts to charities*

Where, at the donor's death, there is no existing fund which has been and continues to be directly benefited by the gift, the claim to duty is not pursued against the charitable institution.

12. *Settled funds: allowance for, or repayment of, legacy or succession duty*

Section 29, Finance Act, 1949, provides that where estate duty (at the new consolidated rate imposed by that Act) becomes chargeable for the first time on settled property by reason of its passing on the death of the life tenant, an allowance for any legacy or succession duty already paid on the capital value of the settled property shall be given against the charge of estate duty. It is a condition of relief that the property has not previously passed on the death, after the commencement of the Act, of a person not competent to dispose. In practice, this condition is treated as satisfied where the only previous passing under the settlement after the commencement of the Act was one on the occasion of which no estate duty was payable.

BARCLAYS BANK LIMITED

Growth of Deposits

Mr. A. W. Tuke's Address

The Annual General Meeting for the year 1958 of the Stockholders was held at the Head Office of the Bank, 54 Lombard Street, London, E.C.3, on Wednesday, 5th February, 1958.

Capital Issued £22,964,703: Reserve Fund £20,000,000: Current Deposit and Other Accounts £1,512,567,419:
(1956—£1,412,924,049):

Investments £492,888,530:
(1956—£475,688,578):

Advances £377,684,012:
(1956—£368,535,766):

Net Profit £2,861,407:
(1956—£2,917,112).

The following is an extract from the address of the Chairman, Mr. Anthony William Tuke, circulated to the Stockholders:—

Profits in 1957

The results for the past year, which we submit to you, do not differ greatly from those of 1956. After equalising at 6 per cent. the interim dividend which was declared in July we are recommending a final dividend of 6 per cent. which makes a total of 12 per cent., the same as for 1956. Apart from the last three months, when they have been highly abnormal, money rates were rather lower in 1957 than in 1956, and the upward change which took place in September did not have, on balance, a favourable effect on the year's results. We therefore had to expect a slight fall in our profits, especially having regard to the rapid increase in our expenses in recent years; not only in the principal item of staff remuneration but also in the miscellaneous overheads, from the maintenance of the fabric of our branch offices to the stationery which we use for our daily work. Although we have almost covered these increased charges we are fully alive to the need for economies in our overheads. We may expect that these will come not only from the increased mechanisation of various book-keeping processes, but also from the constant study of labour-saving expedients of every kind. We have a growing department which applies itself to just these matters, not only in theory but also by experiment.

The Cheques Act, 1957

I expressed my views last year on the desirability of introducing legislation for rendering unnecessary the endorsement of the great majority of cheques and similar instruments, and I am glad that this has now been brought about. The Cheques Act, 1957, came into force on the 17th October last. This Act will have important and far reaching effects upon the practice of banking. The banks, quite rightly in my opinion, have extended the benefits of this Act as widely as possible, having due regard for their reasonable and proper protection. There is no doubt that it has brought about a very considerable saving to the community at large, even though the financial benefit to the banks may be no more than marginal.

The Ideal Bank

Stockholders will have seen references in the Press to the affairs of the Ideal Bank in Birmingham, and to our having come to the rescue of the depositors so that they should not lose any of their money when that bank was obliged to stop payment. The affairs of the Ideal Bank had been conducted with complete propriety, and the depositors had not been tempted by extravagant rates of interest. The directors, deluded perhaps by the propaganda, so prevalent at one time, that cheap money had become a permanent feature of our economy, had invested a large proportion of their funds in long-dated Government stocks and had in some degree neglected the need for adequate liquidity, even in a savings bank. The Ideal Bank thus became a victim of the fall in values which is the counterpart of the high interest rates imposed on the economy in the effort to counteract inflation.

We, for our part, have been taking good care of our liquidity recently, but nevertheless on two occasions during the past year we have found ourselves able to take favourable opportunities of adding to our portfolio of Government investments, which consequently show an increase of £17,000,000 on the year. Our present percentage of investments at 32½ is higher than we really like it to be, and that makes it the more necessary that we should be amply provided with maturities during the next few years. We believe that we are so provided, and that with the effluxion of time, which in this regard is a faithfully ally, they will enable us to restore our liquidity at any moment in case of need without embarrassment.

Movements in Deposits

On the year our deposits have increased by no less than £100,000,000 to a record figure of £1,513,000,000, and £70,000,000 of this has been added in the last six weeks; indeed on the last day we took in unexpectedly £15,000,000 which we were not able to employ fully on the market, with the result that we finished with a wholly abnormal cash ratio of 8.82. Apart from these late movements there were no unusual fluctuations in our total credit balances, but there have been considerable underlying variations in the relationship between current and deposit accounts. In November for example the overall total was unchanged as compared with October, but current balances had fallen by £22,000,000 and deposit accounts had risen correspondingly. A movement of this kind affects adversely our profit and loss account, since there is no increase in funds available for investment to offset the additional interest payable by us. The individual credit balances, both on current and deposit account, naturally vary enormously, but it is of some interest to note that in Barclays Bank the average balance in each case is just over £500. It must be borne in mind that interest-bearing deposits are of two diametrically different kinds: the savings of private persons, which may be individually small but are in the aggregate very stable, and the deposits of trading companies, which are often individually large but may be very mobile in quality. Within the deposit accounts themselves there is thus an unknown factor. There has been a tendency since rates became high for holders of large individual deposits to transfer their money into Treasury Bills, so that the rise of £22,000,000 in our deposit accounts in November probably understates the amount by which the smaller accounts have increased during this period.

Copies of the Directors' Report containing the full text of the Chairman's Address may be obtained from Barclays Bank Limited, Room 165, 54 Lombard Street, London, E.C.3.

(*Advt.*)

13. *Property held in joint tenancy, etc.*
Property which is so disposed of as to be enjoyed by persons in succession on death, although technically it may not be "settled property" for estate duty purposes, is (except as regards cases falling within Section 33 (1), Finance Act, 1954) treated in the application of relieving sections as "settled property" where it is to the interest of the taxpayer so to treat it, for example, property held in joint tenancy.

14. *Civilian deaths in Malaya, Korea and Kenya*
The relief from estate duty formerly granted by wartime legislation (which expired in October, 1950) to the estates of civilians dying from injuries caused by the operations of war is applied to the estates of civilians dying from injuries caused by the operations in Malaya, Korea and Kenya.

15. *Interest on estate duty on the proceeds of sale of timber*
Section 9, Finance Act, 1912, fixed the rate of interest on estate duty on the proceeds of sale of timber at 3 per cent. In practice interest is charged at 2 per cent., which is the current rate of interest on estate duty generally.

CORPORATION DUTY

1. *Temperance societies*
Where the work of a temperance society is solely the propagation of temperance principles corporation duty is not claimed from it.

STAMP DUTIES

1. *Stamp allowance on lost documents*
Allowance of the stamp duty on lost documents is made either by repayment, where replicas have been stamped, or by free stamping of the replicas.

2. *Stamping of replicas of documents which have been spoilt or lost*
Where the stamp duty is allowed on a document because it has been spoilt or lost and replaced by a replica but the duty has been increased so that the amount to be impressed on the replica is more than the amount allowable on the original, the additional duty is impressed free of charge.

3. *Group life and pension policies.*
Documents which assure to the members of a fluctuating body of unnamed persons (for example, all the employees of a company) capital sums on death before retirement and/or pensions on retirement are assessed to stamp duty on the total at risk in one sum instead of on the individual amounts, no further duty being charged if a member withdraws without taking benefit and a new member enters in his place and takes a similar benefit.

4. *Partial release of mortgage*
The correct duty is 10s. deed duty, but *ad valorem* duty at 1s. per cent. is accepted if such duty be less than 10s.

5. *Transfer and reconveyance of collateral security*
The correct duty is 1s. per cent. The practice is to limit the duty to 10s. if the transfer of the original security is duly stamped.

6. *Cheques*
The Stamp Act, 1891, exempts from stamp duty cheques used for pay and other purposes connected with H.M. Forces. The exemption is treated in practice as extending to cheques used for the purposes of Allied Forces in this country and West Germany.

7. *Transfer of stock issued by the Electricity Board for Northern Ireland or the Ulster Transport Authority*
Transfers of stock issued by the Northern Ireland Electricity Board or the Ulster Transport Authority, which are exempt from stamp duty in Northern Ireland, are treated as exempt from stamp duty in Great Britain if the stock is not registered in Great Britain. (Reciprocal treatment is given by the Northern Ireland Government to transfers of stock issued by the nationalised industries in Great Britain which are exempt from stamp duty in Great Britain.)

Recent Tax Cases

By W. B. COWCHER, O.B.E., B.LITT.

Income Tax

Profession—Author—Royalty payments—Royalties paid after death—Whether receipts of profession—Whether "annual payments"—Income Tax Act, 1952, Schedule D, Cases II and III.

Carson v. Cheyney's Executor (C.A. October 21, 1957, T.R. 261) was noted in our issue of December, 1957, at page 530. Mr. Peter Cheyney, a well-known author of detective fiction, died on June 26, 1951, and his executor appealed against assessments under Schedule D made upon him as executor in respect of large sums received by him subsequent to the death in the income tax years 1951/52 and 1952/53. These periodical payments arose out of contracts made by the deceased during his lifetime in the course of carrying on his profession as author. It was contended for the executor that the payments were to be regarded as remuneration for personal services rendered or from professional activities during the deceased's lifetime but received afterwards and so covered by the liability to assessment under Case II of Schedule D, which terminated at death. For the Crown upon the other hand it was claimed that the payments should be regarded as moneys arising from property represented by the copyrights owned by the deceased and so assessable to income tax, either under Case III as annual payments or under Case IV as "annual profits or gains" not charged under any other Case or Schedule. There was no dispute that the royalties received by the deceased during his lifetime were assessable under Case II of Schedule D; but the Crown's contention was that they had changed their nature on his death.

The General Commissioners had decided in favour of the executor and Harman, J., had approved their decision, finding himself to be bound by the decision in *Purchase* v. *Stainer's Exors.* (1952, A.C. 280; 29 A.T.C. 741; 32 T.C. 367)—the "Leslie Howard" case. A unanimous Court of Appeal affirmed his decision, Jenkins, L.J., giving the judgment of the Court. The issue in the "Leslie Howard" case is clearly set out in paragraphs 256–259 of the Final Report of the Royal Commission on Taxation (1955, Cmd. 9474). Referring to "some belated receipts," the report says that the right to them is itself so contingent and the value so uncertain that to value the right as an earning is not common sense. As regards the rights of "Leslie Howard" to participate in the profits from the world exploitation of the film, it is pointed out that at the time it was impossible to say what these profits would amount to or when they would accrue. As a consequence, neither the "cash basis" nor the "earnings basis" would catch them unless they were received during the time when the actor was still practising his profession. Although "Leslie Howard" had died before certain of his films had been exploited, the Royal Commissioners

point out that the finding that the payments subsequent to his death were not taxable income would have been the same had it been a case of voluntary retirement instead of death; and they declare that:

> The basis of this decision was that the Income Tax Acts are not constructed to impose a charge upon the receipts in question.

Recommending that receipts such as those in question in the "Leslie Howard" case should be brought within the ambit of the tax, they conclude paragraph 259 of their Final Report:

> Indeed, they are not dissimilar from royalties paid in respect of the copyright of a book, which are taxed as income even though the author himself is dead or retired.

In the light of the case under review, these words are, of course, now of antiquarian rather than practical interest.

Income Tax

Residence—Ordinary residence—Securities issued by Treasury with interest exempted from tax so long as owned by persons not ordinarily resident in the United Kingdom—Minor educated in England—Schoolboy at Harrow during material years—Whether ordinarily resident in United Kingdom whilst at Harrow—Income Tax Act, 1918, Section 46.

Misagaes v. C.I.R. (Ch. February, 1957, T.R. 39; C.A. July 22, 1957 T.R. 231) arose out of the provisions of Section 46 of the Income Tax Act, 1918, which was a revised edition of a provision included in the Finance (No. 2) Act, 1915, due to the financial necessities of the 1914–1918 war. The interest on securities issued under Section 46 is exempt from income tax and surtax so long as they are beneficially owned by persons not ordinarily resident in the United Kingdom; and the issue in the case was whether for the years of assessment 1947/48 to 1951/52 inclusive the appellant was entitled to the exemption so provided. The Special Commissioners, as the tribunal hearing appeals arising out of the Section, had held that they were not satisfied that the appellant was not ordinarily resident in England during the said years; Wynn-Parry, J., had upheld their decision; and his judgment was affirmed by a unanimous Court of Appeal.

The appellant and his father had come to England on August 26, 1939, as refugees from Holland. He was then six years of age. They had both remained here until March, 1946, when the father went to live in Switzerland for health reasons and with the intention of establishing his permanent residence there. After some months in a sanatorium, the father had moved to an hotel and had started to build himself a house which, however, had not been completed when, on July 10, 1948, he had died in Switzerland. The appellant's father and mother had been divorced in 1939, and at all material times he had been in the custody of his father. In March, 1946, when his father went to live in Switzerland, appellant was thirteen years old and attending a preparatory school in England, at which he stayed until 1947, when he went to Harrow. He spent his school holidays with his father in Switzerland until his father's death, and thenceforth partly with his former governess in England but mostly abroad. He had remained at Harrow until July, 1951, and on August 17, 1951, went abroad and continued his education at a Swiss university. Thereafter, he had not lived in England; and it was only as a schoolboy at Harrow that he had lived in England during the material years.

Wynn-Parry, J., held that the test he had to apply was to be found in a passage in the speech of Lord Warrington in *Lysaght* v. *C.I.R.* (1928, A.C. 234; 7 A.T.C. 60; 13 T.C. 511), to the effect that the question of residence or ordinary residence was one of degree with no technical or special meaning for income tax purposes and that a decision by the Commissioners was one of fact which could not be reviewed unless based on some error in law, including the absence of evidence upon which such a decision could properly be founded. After also quoting from the speeches of Lords Sumner and Buckmaster in the same case, to the same general effect, Wynn-Parry, J., said that from the facts it was plain that the appellant and his father had been ordinarily resident in this country from August 26, 1939, to March, 1946, when the father went to live in Switzerland; and the fact that by a war-time concession they had been treated as not ordinarily resident did not preclude either the Special Commissioners or the Courts from forming a view as to whether or not they were in fact ordinarily resident during that period for income tax. The importance of considering what happened between 1939 and 1946 was that what happened afterwards was in the case of the appellant in continuity of what had gone before. He declined to accept the argument that there was such a change in 1946 that no regard should be had to what had gone before. It was, he said, clear beyond doubt that the appellant had stayed in England for educational purposes until July, 1951. The only period which called for special mention was the year of assessment 1951/52, in which he was in this country only for four and a half months. The Special Commissioners had held that he was ordinarily resident for that year because the period was in continuation of residence for the previous four years. In considering the question whether the appellant was ordinarily resident for that year, the Special Commissioners had, his Lordship said, applied the right test—was he here in the ordinary course of his life during his adolescence?

In the Court of Appeal, Pearce, L.J., who gave the leading judgment, said that the main argument for the appellant was that such residence—assuming but not admitting it could be called residence at all—could not constitute ordinary residence. It had not the quality of ordinary residence. It was not voluntary and was institutional. No boy, counsel had said, would say, if asked where he lived, that he lived at his public school; and even though a person might have more than one residence, his school would never be one of them. To succeed in the appeal, his Lordship said, counsel must establish that such residence by a boy at a public school could not constitute an ordinary residence. As to the meaning of "residence" and "ordinary residence" he cited passages from the speech of Lord Cave in *Levene* v. *C.I.R.* (1928, A.C. 217; 7 A.T.C. 59; 13 T.C. 486) and in opinions delivered in the *Lysaght* case. More important, it would seem, were his dicta upon the exigencies of education:

> Education is a large, necessary, and normal ingredient in the lives of adolescent members of the community, just as work or business is in the lives of its adult members. During the years of youth, education plays a definite and dominating part in a boy's ordinary life. In this case the school terms at Harrow dictated the main residential pattern of the boy's life. Education is too extensive and universal a phase to justify such descriptions as "unusual" or "extraordinary."

The argument based on the institutional or compulsory nature of a boy's life at school was, he said, misleading, the compulsion being merely the will of his parents who voluntarily sent him there. Appellant's argument, if applied to the case of a boy whose parents were in the Far East and had boarded him here, might, he said, lead to the unreal

conclusion that the boy would not be resident anywhere at all. In conclusion, he held that the Special Commissioners had material on which they could find as they did and that it was impossible to interfere with their finding. He also approved the finding of the Special Commissioners regarding the final four and a half months of 1951/52, but mentioned that, as an act of grace, the respondents were abandoning any claim to tax on interest paid after the appellant's final departure from this country on August 17, 1951.

Morris, L.J., said he entirely agreed with the judgment of Pearce, L.J. He would consider, he said, that a boy who spent the greater part of the year at a public school was "resident" in the United Kingdom during that year. After examining contentions put forward upon behalf of the appellant, he declared:

> . . . residence here was not only a part of the scheme for his life during that stage of it, but that residence here was the central and essential feature of the scheme.

He held that there was ample evidence upon which the Special Commissioners could arrive at their conclusion of fact, and said that in his opinion the decision of the Special Commissioners in the case was the inevitable one and that there was no rule of law to prevent their finding the appellant to be ordinarily resident. Evershed, M.R., in a short concurring judgment, said that the Courts regarded the question of "ordinary residence" as pre-eminently one of degree and therefore of fact.

The case is the first which establishes "educational residence" as ordinary residence, and it would seem to open up certain possibilities not all of which would be to the advantage of the Revenue.

Income Tax

Trade—Trawler business carried on by trawler owned by French limited company—English company carrying on trawler business and also acting as manager and agent for British and foreign vessels—49 per cent. of shares in French company owned by English company—Managing director of English company a director of French company—Fall of France in 1940 *at a time when French trawler in English port—Managing director of English company taking charge of French vessel without authority—Removal of managing director from Board of French company without his knowledge, but no authority at any time to manage French vessel—Intervention of Fisheries Section of Free French Navy—Intervention by Minister of War Transport—Considerable trading profit from 1940 to end of war—Restoration of vessel to French company at end of war—Approval by French company of conduct of English company, of the accounts of the vessel during English management, and of the commission reserved for services of English company—Whether English company assessable as "authorised person carrying on the regular agency" for the French company—Whether doctrine of ratification applicable—Income Tax Act, 1918, Charging Rule 1* (*a*) (*iii*), *General Rules 5, 10—Finance Act, 1925, Section* 17*—Trading with the Enemy Act, 1939, Section* 1.

Most of the facts stated above were given in an "Advance Note" in our issue of September, 1957, page 399, and, although the legal position in **Boston Deep Sea Fishing and Ice Co. Ltd. v. Farnham** (Ch. July 31, 1957, T.R.243) was both curious and interesting, there would seem to have been nothing artificial about the circumstances. The trawler *St. Jean*, owned by a French company with its headquarters in Boulogne, had after the fall of France in 1940 put into Fleetwood to land her catch of fish. There, the appellant company carried on its business. It held 49 per cent. of the shares of the French company, and acted, apparently within certain limits, as its agent; and, in addition, the French company was largely indebted to it. It was, obviously, very much interested in preventing the ship from falling into German hands. The managing director of the appellant company was a Mr. Parkes who, from the report, seems to have been a bold and enterprising person. He had immobilised the vessel at Fleetwood, the French skipper and two of the crew being repatriated, the rest staying in England. In view, however, of the large stake which the appellant company had in the French company, Mr. Parkes, apparently without any authority whatever but intending to do the best he could, had sent the ship to sea with an English skipper chosen by himself and a crew mainly French. Still, he was not to have matters all his own way. The Fisheries Section of the Free French Naval Forces had intervened with the result that, following intervention by the Minister of War Transport, Mr. Parkes had agreed to the vessel being manned as far as possible by French officers and crew. The Minister of War Transport did not formally appoint Mr. Parkes as manager of the *St. Jean*, being apparently content to let well alone.

The appellant company had kept accounts of the ship's earnings and expenses. After deduction of the commission it had reserved for itself, considerable profits had been shown for the period ended at the end of 1945, when the *St. Jean* had been returned to the French company. During the intervening years, in the various applications required during the war by the Ministry of War Transport the appellant company had held itself out as being the manager acting with the authority of the French company; but, although Mr. Parkes was one of its directors until removed without his knowledge in 1941, he had had no authority from the French company at any time to manage or delegate the management of the *St. Jean*. After the ship was returned in 1945, representatives of the French company had visited the appellant company and had approved its conduct of the ship's operations, the accounts and the commission which had been reserved as remuneration.

Assessments had been made on the appellant company for the years 1940/41 to 1944/45 inclusive under Schedule D, Income Tax Act, 1918, Charging Rule 1 (*a*) (iii) and General Rule 5 upon the footing that the trade was carried on by the French company in the United Kingdom by the appellant company as its agent, so that the French company could be charged in the agent's name. Rule 5 provides generally for the charging of a non-resident in the name of an agent; but by Rule 10, modified to a limited extent regarding brokers and general commission agents by Section 17 of the Finance Act, 1925:

> Nothing in these rules shall render a non-resident person chargeable in the name of —— . . . *an agent not being an authorised person carrying on the regular agency* . . .

and the crux of the whole case was whether the appellant company was within the meaning of the last eight words. The fact that the profits in question were within the charging Rule 1 (*a*) (iii) was apparently undisputed. On appeal, the Special Commissioners had held that:

> (1) the trade was not carried on by the French company as principal;
> (2) the activities were carried on by the appellant company and not by the Fisheries Section of the Free French Movement;
> (3) the appellant company was not such a broker or general commission agent as to be excepted by Section 17 of Finance Act, 1925;

(4) the appellant company was assessable as being an *authorised* person carrying on the regular agency.

Harman, J., reversed their decision, saying that, subject to the question of ratification, the appellant company was not an authorised person at all and the fact that it held itself out as the manager created no estoppel. If, however, by reason of the doctrine of ratification the appellant must be treated as authorised, the ratification dating back to the year 1940, then, he said, he thought that the eight words would be satisfied. The conditions precedent to a valid ratification were, he said, well stated by Wright, J., in *Firth* v. *Staines* (1897, 2 Q.B. 70):

> To constitute a valid ratification three conditions must be satisfied: *first*, the agent whose act is sought to be ratified must have purported to act for the principal; *secondly*, at the time the act was done the agent must have had a competent principal; and *thirdly*, at the time of the ratification the principal must be legally capable of doing the act himself.

He held that of the three conditions it was the second condition that was not satisfied. The French company, being in law an alien enemy, was not a competent principal, and acceptance of its mandate by the appellant company would have been an offence under the Trading with the Enemy Act, 1939. He rejected the Crown's contention that no such offence would have been committed because of the proviso to Section 1 of that Act excepting acts done "under the authority of a Secretary of State," because, although the Minister of War Transport licensed the ship, he was not a Secretary of State. He, therefore, discharged the assessments.

The case falls within the class in which although there may be a clear liability in principle there is no appropriate machinery for enforcing it. Its most important aspect, however, is the opinion of Harman, J., that, where the necessary conditions exist, the doctrine of ratification applies to income tax. The judge did not deem it necessary to consider the argument of counsel of the appellant company that income tax is a tax assessable year by year and that it is not legitimate to tax by reason of the events of a subsequent year, *Dodworth* v. *Dale* (1936, 15 A.T.C. 295; 20 T.C. 285) and *Spence* v. *C.I.R.* (1941, 20 A.T.C. 266; 24 T.C. 311) being cited in support. In the present writer's opinion a higher authority for this is to be found in Lord Greene's judgment in *Stanley* v. *C.I.R.* (1944, 1 All E.R. 230; 26 T.C. at p. 17), in which he said, *inter verbos*:

> An additional assessment can only be made in respect of a particular year and it cannot be made unless an original assessment could lawfully have been made in respect of that year.

Original, that is, "first," assessments are made during the year of assessment and, if so, it is difficult to see how, prior to the end of the war, a lawful first assessment could have been made upon the appellant company in view of the fact that it was not during any of the years of assessment assessable as an "authorised" person.

Income Tax

Avoidance of income tax by transactions resulting in income being payable to persons abroad—Assets transferred to company abroad—Unpaid balance due to transferor in respect of shares transferred —Transferor's running account with company—Whether balance a loan or a debt—Transferor neither director nor shareholder in company—Whether power to enjoy income of company—Income Tax Act, 1952, Section 412.

In **Ramsden v. C.I.R.** (Ch. July 31, 1957, T.R. 247), the question was whether a transaction, the tax avoidance purpose of which was apparently undisputed, was within Section 412 of the Income Tax Act, 1952, previously Section 18 of the Finance Act, 1936, as amended by the Finance Act, 1938. The declared object of this highly penal Section is to prevent avoidance of income tax by transfers of assets resulting in income that would otherwise be subject to the United Kingdom tax becoming payable to a person non-resident or domiciled out of the United Kingdom. Section 412 is abnormal in its comprehensiveness. Whilst it no doubt includes all the devices that had already come to light, the draftsman obviously tried to cover all other conceivable methods. But for one fact, it would be open to serious objection. By Section 412 (3), Sections 412 (1) and 412 (2) are not to apply if the individual in question proves that tax avoidance was not "the purpose or one of the purposes" of the transfer, the onus of proof being placed on him. There is no mention in the judgment of any such claim to innocence, but a reference to admissions made.

In 1939 and 1947 the appellant had transferred shares at their face value to a company incorporated and domiciled in Kenya. This had been done in fact without any vending agreement, and the judgment gives no information on their value at the date of transfer. In the 1939 balance sheet of the company the balance due to the appellant had been shown as follows:

> (1) Subscribed in anticipation of share allotment £4,998.
> (2) Balance of consideration under vending agreement £118,857 odd.

The shares were, in fact, never allotted to the appellant. He was never director or shareholder. The second item varied in amount from year to year with debits and credits and in the period 1939 to 1953 had ranged from £145,000 up to £160,000 and down to £66,000. In 1949, the appellant had severed his connection with the company, and thereafter he had received large cash payments in part repayment of the debt. The amounts had been described in the balance sheets from 1940 onwards as "on open account."

In the year 1952/53, the Kenya company had received a dividend amounting to £8,898 from a subsidiary. As a result, its income for the first time in many years exceeded its expenditure by £7,463, and an assessment had been made upon the appellant in this sum. On appeal, the Crown's claim was rested upon both Sections 412 (1) and 412 (2). By the former, where an individual has, by means of such a transfer as that made by the appellant, acquired rights by virtue of which he has "power to enjoy," whether forthwith or in the future, income within the meaning of the Section, that income is to be deemed his income for the purposes of the Act. If the words "power to enjoy" had their ordinary meaning, the appellant would clearly have had no such power. As Harman, J., observed in his judgment, he would have had merely a power to sue for his debt and wind up the company. These words, however, had been given by Section 412 (5) meanings which, as the judge said, turned them inside out; and one of those meanings is:

> If (*b*) the receipt or accrual of the income operates to increase the value to the individual of any assets held by him.

By Section 412 (2), where before or after any such transfer of assets an individual is entitled in any way connected with the transfer to receive any sum by way of repayment of loan, any income which as a result of the transfer has become the income of a person resident or domiciled out of the United Kingdom is to be deemed the income of the individual.

The Special Commissioners had decided in favour of the Crown, holding that the account of the appellant with Marula in 1952/53 was a loan account caught by Section 412 (2). They had

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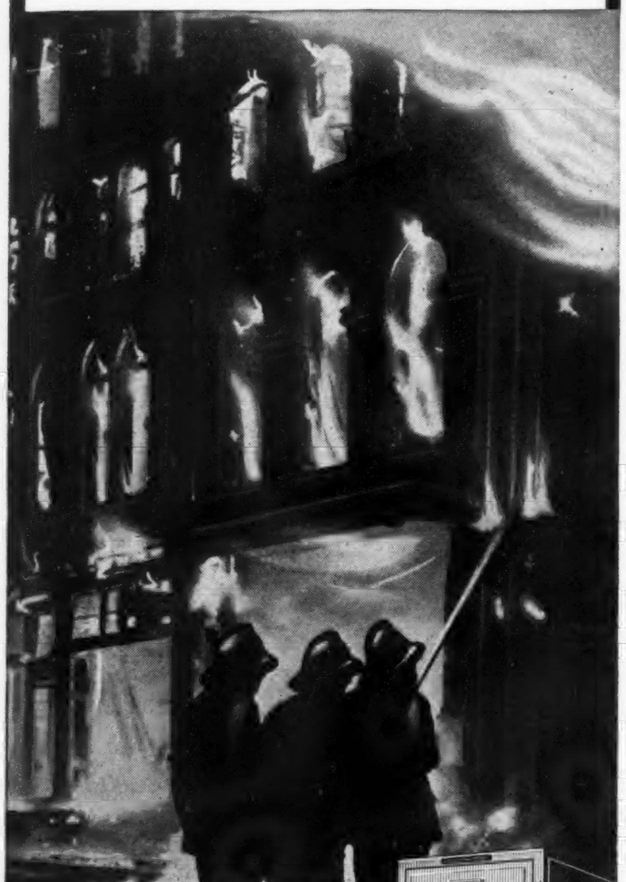

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not reached any decision on the Crown's alternative contention. Harman, J., affirmed their decision but held that the case was caught by Section 412 (1) and not by Section 412 (2). The debt due to the appellant was, he said, for unpaid purchase money and there was nothing to justify the Special Commissioners treating it as a loan: he cited a number of authorities in support. As regards Section 412 (1), the Crown's contention was that the appellant's right to recover his debt was an asset held by him and that the value of that right was increased by anything tending to increase the value of the company's assets. His Lordship said that at first sight it seemed that it must be so; but it had been open to the appellant to show either that the dividend had not in fact been received or that there was some other fact resulting in the receipt being of no benefit. His finding in favour of the Crown was, he held, well-founded in view of the decision in *Lord Howard de Walden* v. *C.I.R.* (1942, 1 K.B. 389; 25 T.C. 121). The final question was one where ordinary commonsense would have come to the same conclusion without hesitation.

Income Tax

Expenses of management—Life assurance business—Changes of investments—Commission paid to stockbrokers—Stamp duty on transfers—Whether expenses of management — Assurance Companies Act, 1870, Section 5—Assurance Companies Act, 1909, Sections 3, 4, 7—Finance Act, 1915, Section 14—Income Tax Act, 1918, Section 33.

Sun Life Assurance Society *v.* Davidson, Phoenix Assurance Company Ltd. *v.* Logan (House of Lords, July 4, 1957, T.R. 171) were noted in our issues of March, 1956 (page 98) and October, 1956 (page 408). The vexed question whether stockbrokers' commissions and stamp duties paid on purchases and sales of investments by life assurance companies admittedly trading in investments should be regarded as "sums disbursed as expenses of management (including commissions)" within the meaning of these words in Section 33 of the Income Tax Act, 1918 (now Section 425 of the Income Tax Act, 1952) has come before the Court in its simplest and most absolute form; and this fact is to be welcomed in that it avoids the difficult if not absolutely insoluble problem of drawing satisfactorily the line between the costs incurred in the mere changing of investments and similar costs incurred in connection with investments representing capital expansion. The parties to the present case did not dispute that the words "including commissions" had no reference to the payments to stockbrokers; but, whilst the decision in favour of the Crown covered both these payments and stamp duties, speeches in the House of Lords suggested that this concession by the assurance companies could well have been withheld. The House of Lords, by approving the same treatment of similar costs incurred by investment companies, as decided by the Court of Appeal in *Capital and National Trust Ltd.* v. *Golder* (1949, 28 A.T.C. 236; 31 T.C. 265), also made for simplicity in that no distinction is drawn between the fixed capital assets of an investment company not trading in investments and the circulating capital assets of an assurance company admittedly doing so.

By Section 14 of the Finance Act, 1915, life assurance and investment companies and certain banks not taxed on their profits under Case I of Schedule D were at last given the right to claim relief in respect of "expenses of management (including commissions)" subject to the limits specified in the Section. From 1915 to 1949, the term had been regarded by the Revenue as including brokerage and stamp duties paid in the course of business, except in so far as they related to increases of investments. The method of restriction applied was clearly set out in paragraph 4 of the case stated by the Special Commissioners in the *Golder* case. It had, as a method, the virtue of simplicity in a field where complexity seems unavoidable but was otherwise obviously indefensible in a world of rapidly changing market values. In 1949, the Revenue as from April 6, 1947, had refused to regard any brokerage or stamp duties as within the term "management expenses"; but this change of attitude was not regarded by the Courts as prejudicing its case. On appeal, in the *Golder* case the Special Commissioners, although recognising that the day-to-day watching and planning of investments by an investment company was of the greatest importance, had, nevertheless, held that brokerage and stamp duty were integral parts of purchase and sale prices and that the point at which the payments for the services of those whose duty it was to plan and watch ceased to come within the term "management expenses" was when once a decision to buy or sell had been arrived at. Croom-Johnson, J., had upheld the Special Commissioners' decision upon the grounds that he could not see how:

> . . . giving the expression management its ordinary everyday meaning it can possibly be said with regard to an investment company that changing its investments, paying stamps on transfers, stamps on contract notes and brokers' remuneration can be said to be management of the company.

Although these operations were incidental to the business they were not in his opinion within the ordinary meaning of the expression used. In the Court of Appeal, his judgment was unanimously approved, Tucker, L.J., giving the only judgment. At the end of it, he said that "expenses *of* management" were a totally different thing from "expenses *by* the management" and held that the words "including commissions" did not extend the meaning of the former. The Crown had not been called upon to reply, and leave to appeal to the House of Lords had been bluntly refused.

In the present cases—it was not contended that the positions of the *Sun* and *Phoenix* companies differed—it was admitted that they were trading in investments. Nevertheless, the Special Commissioners had arrived at conclusions to the same effect as those reached by them in *Golder's* case. They held that brokerage and stamp duties on transfers were not general expenses of conducting the businesses of the appellants but were specifically referable to and only incurred by reason of the purchases and sales, and were not "expenses of management." In the Courts, the whole matter was far more exhaustively gone into upon behalf of the taxpayers than it had been in the *Golder* case, and, as an example, the expression "expenses of management (including commissions)" was found to have originated in the statutory forms of accounts contained in the Assurance Companies Act, 1909, and its predecessors. Counsel for the appellant companies were, however, in a difficult position. The principle upon which the *Golder* case had been decided was *prima facie* as applicable to companies trading in investments as to investment companies, and it would seem that their task was to show either that the earlier case was distinguishable or that the taxpayer ought to have been allowed to take it to the House of Lords. As the result of what the late Singleton, L.J., described as "admirable argument" they had succeeded in achieving the second aim. The Crown, on the other hand, had in the *Golder* case a decision of principle in its favour which had only to be protected. It was not called upon to argue whether that case was rightly decided and declined to do so, with the

result that until the case reached the House of Lords the "admirable argument" remained unanswered.

Harman, J., had found himself unable to see the difference between the brokerage payments and the salaries and other expenses of the investment departments of an assurance company and had subjected the judgment of Tucker, L.J., who had given the judgment of the Court of Appeal in the *Golder* case, to unusually frank criticism. Upon the other hand, whilst he said that, but for authority, he would have held the brokerages to be admissible as expenses of management, he was not so confident about the stamp duties. These he thought might truly be said to be part of the cost to the company of each transaction. On both issues, however, he held that he was bound by the *Golder* case to decide in favour of the Crown. In the Court of Appeal, which found itself similarly bound, the most striking feature was that the late Singleton, L.J., who had unreservedly agreed with the *Tucker* judgment in the *Golder* case, recanted his approval as a result of the "admirable argument" which, he said, had cast a new light upon the position and, but for authority, he would have found in favour of the taxpayer. Morris, L.J., said that, in the absence of full argument for the Crown in the circumstances above-mentioned, he expressed no opinion on how the issue raised might have been decided in the absence of authority. Romer, L.J., too, said that, hearing arguments on the one side and not on the other, he expressed no opinion upon the validity of the attack made upon the *Golder* decision. At the close of his judgment, however, he said that whilst the Crown's challenge was well-founded, as they must hold it to be, "so many expenses, hitherto undisputed but indistinguishable in quality, would appear to be within its scope" as to defeat in great measure the object of Section 33. This, alone, he held cast grave doubts upon the contentions of the Crown and lent corresponding weight to the appellant's submissions. In none of the Court of Appeal judgments was the possibility of distinguishing between stamp duty and brokerage suggested.

In the House of Lords, although the decision was in favour of the Crown, there were marked variations between the several opinions. Whilst Viscount Simonds and Lords Keith, Morton and Somervell held that neither brokerage nor stamp duty was within the term "management expenses," Lord Reid said that whilst he expressed no opinion on whether the words "(including commissions)" would include brokerage, and whilst agreeing that stamp duty should be regarded as part of the cost of acquisition, he held that there was not sufficient to warrant payments to a commission agent and to a stockbroker being put into different categories. He said he would admit the appeals but only in respect of brokerage. Viscount Simonds, with whose opinion Lord Keith said he agreed and had nothing to add, found the opinion of the Special Commissioners as expressed in their disallowance of the claim helpful and held that if the cost of purchasing an investment was not an expense of management he could see no valid ground of distinction between the price of the stock, the stamp duty paid, and the brokerage. Each item was in his opinion an integral part of the cost of the particular acquisition and not of the expenses of management. This, he added, was more clearly seen in the case of a sale, where there was no disbursement at all but only a diminished receipt.

Lord Morton of Henryton said that counsel for the appellants did not contend that brokerage was within the term "(including commissions)," but he was not satisfied that it was not. As, however, the point had not been argued, he said he expressed no opinion. Subject to this, though with considerable doubt, he held that the short and simple ground of the Special Commissioners' decision was sound and that the *Golder* case had been rightly decided. Even if he had been persuaded as to brokerage, he would, he said, still have been inclined to regard stamp duties as not being expenses of management. He agreed, he said, with Lord Somervell and for the reasons given by the latter in not accepting the Crown's narrow view of the term "expenses of management" and held that this should be given a wide interpretation.

Lord Somervell of Harrow showed why having regard to the intention of Section 33, to be gathered from its terms, and the statutory background, the words in question should be given a wide construction. He said he wholly rejected the distinction sought to be drawn by the Crown between the management and the carrying-on of the business, restricting the former to the head management. At the conclusion of his speech he said he was impressed by the Crown arguments as restricted to the two particular items of stamp duty and brokerage and with some hesitation agreed with them.

The case is important because of the vast volume of assurance companies' investments. It still leaves open the point whether "(including commissions)" covers stockbrokers' commissions; and although, historically, a claim might be groundless, the statutory words are by themselves clearly in favour of the companies. On the other hand, in the House of Lords, the Attorney-General declined to be drawn as to where, if he succeeded, the line would be drawn and which of the items at present allowed but contended to be indistinguishable in quality would be challenged in the future. Perhaps, in the circumstances, the parties will be content to leave things as they are. The decision may, however, possibly have repercussions outside of the assurance and investment companies field and in certain cases affect the position of the tenant-for-life entitled to the income of a trust fund.

Tax Cases—Advance Notes

House of Lords (Viscount Simonds, Lords Morton of Henryton, Reid, Somervell of Harrow and Denning).

Special Commissioners *v.* Linsleys (established 1894) Ltd. January 23, 1958.

Their Lordships unanimously allowed this appeal by the Special Commissioners from the Court of Appeal. (See ACCOUNTANCY for August, 1957, page 353.)

The Special Commissioners could not make a surtax direction unless the company had "actual income" for the period in question. If profits tax was deductible the company would have no actual income, and the Special Commissioners were not bound to give a direction. Any profits tax "payable" by the company at the time when the computation of actual income was made had to be deducted, by Section 68, Finance Act, 1952. The question for decision was, therefore, whether profits tax was "payable." Their Lordships held that it was. Neither the fact that profits tax might later cease to be payable by reason of an election under

Section 31, Finance Act, 1947, nor the fact that the profits tax assessment was under appeal prevented profits tax from being "payable."

HOUSE OF LORDS (Viscount Simonds, Lords Reid, Keith of Avonholm, Somervell of Harrow and Denning).
Escoigne Properties Ltd. v. C.I.R. January 23, 1958.

Their Lordships dismissed this appeal from the decision of the Court of Appeal (see ACCOUNTANCY for June, 1957, page 270) and held that *ad valorem* duty was payable on conveyances and transfers on sale transferring the beneficial interest in properties from S.C. Ltd. to the appellant and the legal estate in the properties from C.'s executors to the appellant. The beneficial interest in the properties had previously passed from C. to S.C. Ltd. S.C. Ltd. owned not less than 90 per cent. of the share capital of the appellant company. Lords Keith, Somervell and Denning expressed the view that Section 42 of the Finance Act, 1930, did not exempt the instruments from duty. It was agreed unanimously that, even if the exemption was granted by Section 42 of the 1930 Act, it was removed by Section 50, Finance Act, 1938.

HOUSE OF LORDS (Viscount Simonds, Lords Reid, Keith of Avonholm, Somervell of Harrow and Denning).
Wigram Family Settled Estates Ltd. (in liquidation) v. Commissioners of Inland Revenue. January 23, 1958.

Their Lordships unanimously dismissed this appeal from the decision of the Court of Appeal. (See ACCOUNTANCY for June, 1957, page 269.)

The appellant company was an investment company (within the meaning of Income Tax Act, 1952, Part IX, Chapter III). Under its Articles of Association, it had to reserve each year certain amounts from its profits, to form a redemption fund for Redeemable Preference shares. The House held that this additional right of the shareholder holding these shares had to be ignored by the Special Commissioners when making an apportionment of the income of the company under the First Schedule to the Finance Act, 1922 (now Section 248, Income Tax Act, 1952).

COURT OF SESSION, SCOTLAND (Lord Clyde (Lord President), Lord Carmont and Lord Russell).
McLeish v. Commissioners of Inland Revenue. January 8, 1958.

The appellant is a director of three companies merchanting potatoes. In connection with his duties as director, he travels widely in Great Britain, visiting markets and agricultural shows and meeting actual and potential customers. In summer he makes a three weeks' tour of potato-growing areas. For these purposes one of the companies supplies him with a Jaguar car. Sometimes his wife accompanies him on the visits. He entertains, at home and elsewhere, customers and directors of his companies, who sometimes stay at his home overnight, sometimes accompanied by their wives.

He is reimbursed by one of the companies in the actual amount of his travelling expenses and receives lump sums from the companies for entertaining customers and directors at his home.

He was assessed under Sections 160 and 161 of the Income Tax Act, 1952, in respect of all these amounts. He claimed that they should not be included, as being allowable deductions for Schedule E, under paragraph 7 of the Ninth Schedule to the Act.

The General Commissioners held that the appellant's evidence was not sufficient to justify deducting the whole of the expenses claimed. As a result of a concession by the Inspector of Taxes, however, the expenses were partly allowed.

The Court unanimously dismissed the appeal. The onus of proof was upon the appellant and his evidence was inadequate. The issue was a question of fact. A remit was refused as the failure to obtain any express findings as to the deductibility of any particular item of expenses was attributable to the appellant's own insufficiency of evidence. (*Bird* v. *C.I.R.* (1924) 12 T.C. 785.)

COURT OF SESSION, SCOTLAND (Lord Clyde (Lord President), Lord Carmont and Lord Russell).
Forbes's Testamentary Trustees v. Commissioners of Inland Revenue. January 16, 1958.

F. was managing director of two companies. In 1944, he entered into an agreement with them under which he was entitled to salary and commission. It was further provided that so long as he remained managing director of the companies he had the right to apply for and to be allotted certain shares on payment of their par value. In 1946, F. applied for and was allotted shares, duly paying their par value. It was admitted that the par value was greatly below their market value and that in consequence F. was liable to tax under Schedule E on the difference between the values. The only question in dispute was whether the taxable benefit to F. arose in 1944 or 1946.

Their Lordships unanimously held, upholding the decision of the Special Commissioners, that F. had acquired in 1946 "something which the acquirer becomes possessed of and can dispose of to his advantage." In 1944, F. merely obtained a right to apply for shares, personal to himself and conditional. This right was effectively exercised in 1946 and accordingly the assessment was rightly made for the year 1946/47.

COURT OF SESSION, SCOTLAND (Lord Clyde (Lord President), Lord Carmont and Lord Russell).
Keir & Cawdor Ltd. v. C.I.R. January 17, 1958.

Up to 1949 the appellant company traded as quarry masters. In that year, it decided to extend its business to include civil engineering. It entered into an agreement whereby G., a civil engineer, was to act as consultant. In 1954, G. was killed. The company received £50,000 under assurance policies it had taken out on his life. Since G.'s death it had not secured any further civil engineering contracts.

It was contended by the company that the £50,000 was a capital receipt in respect of loss of goodwill and was not taxable. An alternative contention was that the sum was compensation for the cessation of a valuable part of its business and was therefore a capital asset.

The Court held, dismissing the appeal by the company from the decision of the Special Commissioners, that the payment was in respect of the loss of G.'s services and the consequent reduction of the profits of the company. Accordingly, it was income. The case of *Williams' Executors* v. *C.I.R.*, 26 T.C. 23 was referred to.

Books Received

The Index of Technical Articles. Nos. 9–10, October–November, 1957. (*Iota Service Ltd., 38 Farringdon Street, London, E.C.4:* £6 6s. per annum.)

West Sussex. Local Government Financial Statistics, 1957–58. Pp. 56. (*County Treasurer, County Hall, Chichester.*)

1957 Supplement to Index and Digest of Tax Cases, summaries of which have appeared in *The Income Tax Payer*. Pp. 50. (*Income Tax Payers' Society, Abbey House, 2 Victoria Street, London, S.W.1:* For circulation to members only.)

(*See also page 85.*)

The Month in the City

Funds Still in Favour

January was certainly an eventful month Citywise even if movements in stock prices were not great. As the New Year opened, virtually all quotations, other than those for gold and some base metal shares, were still rising. The third quarter of the financial year had closed with revenue good but expenditure above what was expected last April. However, the discrepancy was not large. There was news of the large third-quarter loss by the *National Coal Board* and a shortage of oversea demand on it, of drastic cuts in New Zealand imports and of excess capacity in the steel industry. Offsetting factors were a further gold influx of $88 million, and a further fall in the rate for Treasury bills, bringing some cheer to short-dated Government securities. Then came the shock of the resignation of Mr. Peter Thorneycroft and of his two political colleagues at the Treasury, causing a setback in the Funds and in industrial equities. The Funds made good the loss in two days but Ordinary shares have fluctuated with a weaker tendency ever since. Probably the weakness of equities is due more to fears of falling profits than to any possible result of the changes at the Treasury. The eventful month included also trouble with the busmen—the outcome of whose claim was considered to be crucial for the future of wage rates generally—and further adverse news for the aircraft industry, in which fusions, or at least consortia, seem inevitable unless some of the smaller firms become makers of components. The rise in the Funds, though not very pronounced, was in progress continuously throughout the month; it was encouraged by the reduction in Bank Rates in Germany, Holland and Philadelphia and by a general sagging in bill rates in both New York and London.

No Leak

The *tempo* of the recovery in gilt-edged was somewhat accelerated by the publication of the report of the Bank Rate Tribunal, giving a clean bill to all concerned so far as the subject of the inquiry was concerned. The verdict was what most informed opinion in the City had expected, but it was nonetheless a relief to have the general view confirmed by a searching and what appeared at some stages to be an almost hostile inquiry. The news also brought a value for sterling in terms of the United States dollar the highest for some time, and further strength for the pound in most Continental centres also. It may even have been in part responsible for a rally in industrial equities—which, however, was not lasting. Meanwhile, gold shares, which had been buoyed up by talk of a rise in the American official price for gold, fell throughout the month and most base metal shares were weak, despite a rally in the price of tin, which rose above the support level for the first time since October, on the expectation that the pipeline of supplies might empty more quickly than was supposed. By January 24 the general level of the Funds was almost back to that of five months before but well below that of the eve of the increase in the Bank Rate. Some irredeemables, however, had almost regained the whole of the loss suffered since that date. The story as told by the indices of the *Financial Times* for the period December 31 to January 31 is as follows: Government securities up from 79.29 to 80.80; fixed interest from 87.62 to 89.34; industrial Ordinary down from 165.3 to 163.2; and gold mines from 74.8 to 68.1.

£500 million Conversion

For reasons which are not fully apparent the authorities this year undertook their first funding operation rather earlier than usual. On January 9 they announced the offer for cash of £500 million 5½ per cent. Exchequer stock 1966 at 99½ for the following Tuesday, January 14. This offer did not look particularly attractive but was obviously aimed at the banks. It seems to have helped the market to rise a trifle and in due course lists were closed at 2.30 p.m. with an over-subscription, making it possible to cut applications for more than £5 million to about 74 per cent. It is believed that the outside applications were fairly substantial but the bulk of the issue must have been taken up "inside," to be used for switching from the 4 per cent. Conversion stock, due for repayment on June 15, and for general peddling out as occasion offers. There has been a very moderate business at premiums ranging up to almost a point.

The offer was followed immediately by an issue by *Colvilles* of £6 million 6 per cent. Debenture 1978–81, at 99, convertible into Ordinary shares by holders on March 31 of the five years 1959–63 at the rates of £50 stock into 36 shares in the first year and one less in each succeeding year—equivalent to a rise in the price of the Ordinary shares from 27s. 6d. to 30s. 11d. The issue was over-subscribed.

Banking Results

Mainly as a result of difficulty in assessing the effect of changes in staff costs for salaries and pensions, forecasting the English bank results for last year was particularly chancy. In the event, all the principal seven clearing banks, except the *National Provincial*, declared slightly lower figures. The Natpro was again able to include its investments at below market prices, the only one of the big five to do so. Dividends were unchanged, except to take account of adjustments in the capital structure. The net effect was to increase slightly the cost of dividends of all seven banks combined and, consequently, to reduce the amount available for reserves. As to the split-up between types of reserve allocation, there was a sharp fall in the amount placed to contingencies and a less than compensatory rise in sums carried to general reserves or added to the amount carried forward. The December rise in balance sheet totals was greater even than is usual on the month and amounted for the eleven banks to £273 million on the year for gross deposits and almost £211 million in the net figure, mainly attributable to increased holdings of Treasury bills and other Government securities. The liquidity ratio was 1.07 points higher on the year, at 38.45 per cent. Figures for January show, however, that a part of the recent rise was purely temporary and connected with heavy advances to the nationalised industries. The bank chairmen in their statements to shareholders are virtually unanimous in saying that the stability of sterling must be put first and that the best means to this end is for the Government to find means of reducing its own outlays, but as to where the cuts should first fall there is some difference of opinion. Sir Oliver Franks's survey of the oversea position is well worth study. His final point was that this country should be granted a dollar stabilisation loan, either by the United States or by the International Monetary Fund. Such a loan would obviate our having to wait a long period to rebuild our reserves to a level where short-term factors could be ignored. But it would be the height of irresponsibility to use any such loan in deferring necessary adjustments.

Points From Published Accounts

An Analysis of Investment Income

It is usually considered enough to show investment income as a single item—and gross. The accounts of *Hollas Textile Holdings* provide an interesting departure from this general practice, by showing the income separately for each investment in the balance sheet, thus:

Income (gross) from:	£	£
British Government Securities	414	
Stocks and Shares of Companies	22,437	
Loans	510	
Tax Reserve Certificates	150	
Bank Deposits	4,120	
Mill Cottages	203	
		27,834

No doubt it could be argued that this is going to unnecessary detail when such small amounts are involved, and perhaps such detail would be better relegated to a notes section. But it is stimulating and useful to have it, for it is important that shareholders should know what sort of an income is accruing from funds that are not actively employed in the day-to-day operation of a business. Too often companies hold large sums in investment categories which are not far removed from a current bank account in generating income, but the fact is masked to all but the most discerning by the lack of a breakdown of investment income in the profit and loss account.

Presentation of the Chairman's Statement

Once again the chairman of *Edgar Allen* sensibly encloses his statement in a separate insert in the accounts, but the effectiveness of this move is not matched by the presentation of the statement, all the more noticeably because considerable thought has gone into the layout of the accounts themselves. They are bright, extremely readable and novel, in that they show figures for both the parent company and the subsidiaries separately, as well as a full consolidation. Normally, six adjacent columns of figures would be unacceptable, but in this instance sufficient care has gone into the choice of type faces and the provision of adequate spacing to reduce the formidability of such a large block of unrelieved figures. This is a presentation that has undoubtedly scored by having much of the detailed information removed to schedules, yet the essential fabric of the balance sheet has been maintained. For ourselves, however, we do not favour the practice of striking what is effectively a net trading profit and calling it a trading profit. In an attempt to be constructive in our criticism we would suggest that the addition of a few headings and a little more spacing in Mr. Higginbotham's review would enhance its appearance considerably, while greater prominence should be given to the profit and loss account than it now enjoys tucked behind two pages of schedules to the balance sheet.

How many Comparative Figures?

All public companies now have to show comparative figures for the previous year in their accounts, and, as so often happens, a minimum requirement comes to be regarded as the maximum obligation. There are welcome exceptions, however, and none more notable than the *Vitamins Group*, whose accounts show the comparative figures of two years—and in doing so lose none of their clarity. Seeing how efficiently this additional presentation has been achieved in the Vitamins accounts one wonders whether other companies would not be doing a service in following suit. Perhaps, on balance, they would not—for the line must be drawn somewhere, and if comparative figures for two years are given, why not for three? A guide to the trend of profits over the years is a most useful adjunct to the accounts, but it can be provided very effectively by an intelligently abbreviated appendix to the accounts. Then the salient features of the trading of say, as many as ten years, can be succinctly set out. In making this point we are not intending to criticise Vitamins for following the method it has adopted. Its accounts have always been lively, with plenty of colour, and an often refreshing presentation allowing the important totals to be picked out easily. Some others use heavy type to achieve this aim: Vitamins merely sets a coloured triangle alongside the figures, with the result that they fairly leap out of the page. Because of this intelligent approach to presentation, the three rows of figures in each account do not in any way look forbidding. Yet it is easy to see what a disorderly appearance might result if a more complex undertaking followed the method and it is for this reason that we do not endorse it for companies in general.

Changed Treatment of Initial and Investment Allowances

William Cory is a business which has had to make heavy investment in fixed assets in recent years—indeed is still having to. As a result, it has received considerable benefits each year in the form of initial and investment allowances. Hitherto, the business has always written off the amount of these allowances by including them in the depreciation charge. In the year ended March 31, 1956, for instance, the depreciation debit of £543,500 included a sum of £153,985, equivalent to initial and investment allowances for taxation. One consequence of this action was that the tax charge was understated. Now the company falls into line with the general treatment of these allowances, and sets up a tax equalisation account. Explaining this move in his statement accompanying the accounts, the Hon. F. A. Leathers states: "With the heavy programme of capital expenditure which is being carried out now and in the years immediately ahead, we have come to the conclusion that the continuance of this policy of writing off additional depreciation, with its consequent heavy burden on the profits, is no longer appropriate." As a result of this decision the book value of the fixed assets has been adjusted upwards by the amount of the additional depreciation provided in past years. It has also been decided to discontinue the publication of a separate profit and loss account for the parent, which, although in line with modern trends, seems a pity, in view of the widespread nature of the business.

Half Way to Replacement Costs Accounting

The accounts of *Tunnel Portland Cement* are clearly and attractively produced. A feature is the treatment of "reserves for replacement of fixed assets." The sum put to this reserve is in addition to the normal depreciation charge, and it is an item quite commonly met with in companies which must make a heavy investment in fixed assets to support their turnover. Here nearly half the consolidated balance sheet total of £16.37 million is accounted for by fixed

assets—and at a written-down figure at that. The problem of providing for the replacement of assets of this order is apparent: hence the policy of augmenting the depreciation debit allowable for tax purposes with a further sum from profits each year. In the year ended March 31 last, the further sum amounted to £274,291 in the group profit and loss account, compared with the depreciation charge of £455,717. The significant point is that the amount has been treated as a charge on earnings and not as an allocation of profit to be shown in the appropriation section of the profit and loss account.

The difficulty in this way of approach is that while it does not meet the arguments of the "replacement cost" school of accountants—for the total depreciation-cum-replacement charge is not (apparently) assessed on replacement cost, the replacement element being (again, apparently) more or less arbitrarily assessed—yet at the same time, the "historical cost" school is clearly not adhered to. If one falls, as Tunnel Portland Cement does, short of accepting the replacement cost thesis, then should the sum put aside, additional to historical cost depreciation, for replacement of the fixed assets be charged to profits—is it not then properly treated as an allocation?

The position is further complicated by the treatment of the item in the balance sheet. Here, the aggregate amount transferred from year to year is included under the heading "Capital Reserves." But the use of the word "reserve" both here and in the profit and loss account, rather than the term "provision," seems hardly consistent with the evident decision of the directors that the sum must be set aside to help meet higher replacement costs that are unavoidable in the future.

What Order for the Accounts?

George Kent has utilised the celebration of a jubilee as an occasion for brightening up the accounts. Although the basic layout has been maintained, the attention which has been paid to type faces and the use of colour, coupled with the employment of an art paper, has made for a tremendous improvement in appearance.

One wonders, in passing, whether it is not putting the cart before the horse to present the accounts of the parent before those of the group, and to present each balance sheet before the corresponding profit and loss account. Logically, it is the assets of the whole group that provide the security for the holders of the capital of the parent. Similarly, a balance sheet can be struck only from the results of the trading of the year: it is illogical to have to look at the growth in assets before turning to see where and how that growth originated. However, these are but minor quibbles in a greatly improved publication—and, anyway, George Kent is far from being alone in the order in which it puts the accounts.

More Room for the Notes

More and more companies are now varying the format of their accounts. The fact that presentation is now being treated seriously is one of the most encouraging features in the field of public companies at the moment. *Consolidated Tin Smelters* is one of the latest companies to adopt a new format. A stiff linen-faced cover replaces the old paper one, and an altogether brighter layout is adopted inside. It is symptomatic of the new approach towards the dissemination of information for shareholders that the notes to the accounts, formerly sandwiched into a footnote on the page containing the consolidated balance sheet, now have a whole page to themselves. The transfer of detailed information about fixed assets, and so on, has made for a much clearer presentation of the accounts proper.

Placing the Comparative Figures

George Cohen 600 Group has departed from general practice in its accounts by showing the comparative figures for the previous year underneath the latest figures thus (where the italicised figures are in green italics in the original):

	31st March, 1957 *31st March, 1956* £
Authorised share capital	7,000,000 *4,000,000*

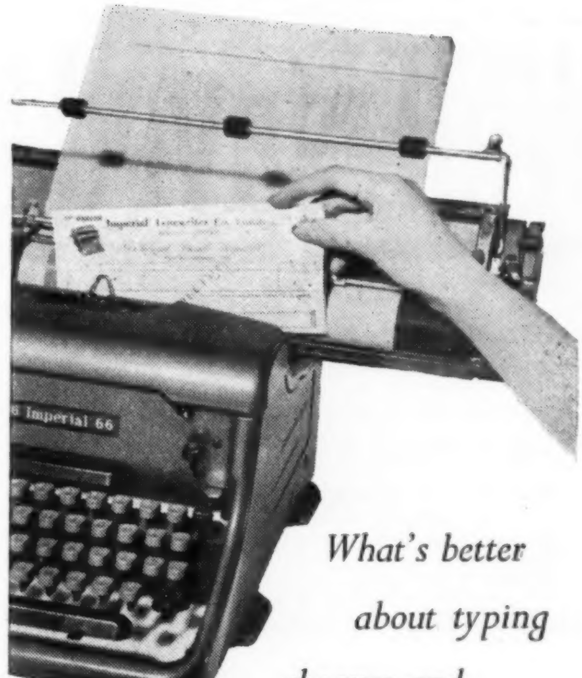
Obviously, it is largely a matter of opinion where the comparative figures should best be put, but there is a lot to be said for keeping them close to the latest figures so that the eye does not have to be constantly flicking about the page. The danger is that it may become more difficult to read the latest figures if the comparative ones are so closely juxtaposed. But readibility is not, in fact, sacrificed in the Cohen accounts, because the two sets of figures are very sharply contrasted.

There are other features in these accounts which call for praise—notably the brief summary of results included in the directors' report, and the elimination of all individual terminology for reserve items. Backing the issued Ordinary capital are merely "general reserves" and "profit and loss appropriation accounts." Even these two items could usefully be reduced to one. The simplified consolidated balance sheet and summary of investment of funds appended to the accounts proper is another commendable feature, and so is the supplementary information, giving a ten-year record of all the salient features of the trading of the group. Even the chairman's statement is printed in a separate pamphlet, thus ensuring that the accounts themselves are not unduly cluttered.

There are many good points to be found in these accounts, making them an excellent source of study for those in any way connected with the provision of more and improved information for the readers of company accounts. Even a detail like putting the page of notes right at the beginning so that they are not likely to be overlooked is a point worth remembering, though the effectiveness of this approach is somewhat marred by not following it up with the appropriate reference in the accounts themselves against the items concerned.

Turnover—"Gross" and "Net"

A business which has achieved wide renown for the standard of the information which it provides about its activities in the annual accounts is the *Beecham Group*. The effort needed to show the proportion of trading profit from home and oversea sales, and from each of the main operating divisions, is clearly tremendous. A table shows that home sales of group products in 1956–57 amounted to £18.49 million. A diagram below this table shows that these sales represent a total of £31.75 million paid by the public for the proprietary products, the difference between the two figures being accounted for by wholesalers' and retailers' discount and by purchase tax. There is a similar discrepancy between export and oversea sales of £10.48 million and £19.11 million paid by customers all over the world—agents' and other remuneration and sales taxes here make up the difference. Figures like these have a tremendous impact on the reader's appreciation of the heavy burdens which a business of this nature must bear before any benefit from its sales begins to accrue to itself. They also show that there is more than one way of interpreting turnover.


Imperial 66

Publications

Chalmers' Sale of Goods Act, 1893. Thirteenth edition by Paul Sieghart, Barrister-at-Law, with the assistance of Edwin J. Prince, B.A., Barrister-at-Law. Pp. lxxix+290. (*Butterworth & Co. (Publishers) Ltd.:* 35s. net.)

THIS MOST VALUABLE book is a commentary on the Sale of Goods Act. The accountant reader would do well to be aware that the commentary form of the book will involve him in a good deal of page turning; the editor has, however, included after each Section an extremely useful and almost wholly complete apparatus of cross references.

The work is informed by extensive learning and lucidly presented.

The Sections of the Act are followed by brief summaries of leading cases and then by commentary; if this order were reversed the examples would possibly prove more illuminating on the points at issue. As matters now stand some of the examples are not clearly apposite: in Section 10, for instance, the lay reader may well be excused for not seizing the significance of *Re General Trading Co.*, given on page 42, until he has read the subsequent commentary appearing on the next page.

Throughout the book the commentary is excellent; seldom in legal text books is there such marked ability in giving readily understood, brief yet accurate statements of law. Only in the discussion following Section 23 "sale under a voidable title" did the commentary fail to carry its meaning at the first reading. Brevity however invites criticism and the following suggestions are offered.

Although there appear nostalgic references to Section 4 in the commentary on other Sections that seminal Section is dismissed in a brief obituary. One important problem may thus be left unanswered: for example "goods" as defined in Section 62 may in the event include fruits, the purchase of which will require a note or memorandum in writing in order to comply with Section 40 of the Law of Property Act, 1925, as creating an interest in land. A discussion of the point might well have been included to fill the gap left by the demise of Section 4.

The excellent brevity, characteristic of the book, has borne rather hardly upon the question of any distinction which may exist between sub-Sections 12(1) and 12(2). Some readers may feel a mere footnote is rather cavalier treatment of an important topic.

Similarly, more space might have been devoted to Section 13—on that which amounts to a failure to perform the contract and that which is a mere breach of the condition arising from description; to the relation between Sections 19, and 25—the passing of property between vendor, purchaser, and third party; and to a discussion of estoppel in Section 21.

The footnotes give a comprehensive reference to cases, although the omission of any reference to *Ingham* v. *Emes* [1955] 2 Q.B. 366 is rather surprising.

This is an excellent book and accountants must not be deterred by the many references to Roman law. The publishers have maintained their well-known high standard. R.L.P.

Business Statistics and Statistical Method. By H. J. Wheldon, B.COM. Fourth Edition, completely revised by G. L. Thirkettle, B.COM. (*Macdonald and Evans, Ltd.:* 15s. net.)

"THE AIM OF this book," stated the original author, "is to provide a simple but comprehensive course in business statistics." The fourth edition revised by Mr. Thirkettle has the same aim, as well as discussing "new trends in the subject and development of published statistics." The work certainly provides a simple enough introduction to the subject and if the student is concerned solely with acquiring "rule of thumb" methods for analysing the hypothetical data appearing in so many statistics examination papers, will with some lectures and classes serve its avowed purpose. But it will hardly provide him with a deep understanding of the subject. Indeed, by seeking to provide him, without adequate grounding, to rather advanced techniques, the book may be misleading. There is no case for trying to teach topics such as the harmonic mean, curve fitting, skewness, the third moment and the test of significance for the coefficient of correlation to non-mathematicians who are reading elementary statistics at this level.

On the other hand, there is a conspicuous failure to discuss the concept of significance of sample statistics. The failure means that the chapter on quality control, which ought to be an important one, can provide only a very sketchy summary of the technique and its applications. Less ambition in pursuing the higher flights would have allowed such stretches of everyday terrain to have been properly covered.

The earlier chapters on graphs and tabulation are satisfactory, but it is unfortunate that two sets of data used for illustrating the arithmetic mean are incorrectly grouped (pages 95 and 99), an error made also in one of the questions reproduced from the paper set by a professional body (page 100).

Always provided the student is guided by his teacher, this book may, however, prove adequate for its purpose; the numerous examination questions reproduced will provide useful practice material. J.J.

Agriculture and Industry—Relative Income. By J. R. Bellerby. Pp. 369. (*Macmillan & Co. Ltd.:* 30s. net.)

THIS BOOK IS important because it provides the factual explanation of why agricultural finance has been such a difficult problem. It contains, in greater or less detail, figures of the relation of agricultural income to industrial income in about a score of countries.

It is somewhat surprising to find that even in the Agricultural Golden Age in Britain (1874–1878), agricultural income was only 60 per cent. of industrial income.

The economic, social and psychological reasons causing men to work in agriculture for less than they could earn elsewhere are examined. Whilst Mr. Bellerby believes that workers must leave agriculture, it is not clear how the additional capital to replace the workers would be provided, having regard to the evidence set out in the book of the inadequate remuneration of capital, as well as of labour.

This book should certainly be read by all accountants who have clients who intend to take up farming.

A.E.

Books Received

Jordans' Modern Book-Keeping, Part I. By Frank H. Jones, F.A.C.C.A., A.C.I.S. Fifth edition. Pp. xii+284. (*Jordan & Sons, Ltd.:* 8s. 6d. net.)

The 1957 Income Tax Legislation in the Federation of Rhodesia and Nyasaland. By A. S. Silke, M.COM., C.A.(S.A.). Pp. 28. (*Juta & Co. Ltd., P.O. Box 30, Cape Town, South Africa:* 10s. 6d. net.)

Report on Farming, 1956/57. A study of production and profits in the Eastern Counties with an advisory supplement and efficiency standards. Report No. 46. Pp. 39. (*Farm Economics Branch, School of Agriculture, Cambridge University:* 3s. 6d. post free.)

(*See also page 81.*)

Legal Notes

Company Law—
Misfeasance Action
In **Birch v. Sullivan** [1957] 1 W.L.R. 1247, B., a minority shareholder, brought an action against a company and the majority shareholder, S., alleging that S. in fraud of the rights of the defendant company either terminated or did not renew a very advantageous contract which the company had to manage or arrange for the services of a music hall actress. The defendants took two preliminary points. The first was that, although the plaintiff was a registered shareholder at the date of the writ, he was then and remained an undischarged bankrupt, and his trustee had since had himself put on the register: therefore, if anyone at all could maintain the action, it was the trustee and not the plaintiff. Harman, J., said it was possible that a shareholder on the register could maintain an action of this kind even though he was bankrupt, but he could no longer maintain it when he had ceased to be on the register.

Harman, J., also accepted the defendants' second submission that in an action of this kind it was necessary to allege as well as to prove that the minority shareholder could not, by reason of the majority shareholder's opposition, obtain the name of the company to issue proceedings. No such allegation was made in the statement of claim, which was accordingly defective.

His Lordship stayed the action to give an opportunity to the trustee, if he so wished, to become a party and deliver a fresh statement of claim.

Contract and Tort—
(*a*) Duties of Auditor: (*b*) Construction of Agreement for Royalties
A full report has now appeared of **Fomento (Sterling Area) Ltd. v. Selsdon Fountain Pen Co. Ltd.** [1958] 1 W.L.R. 45, in which the House of Lords considered the extent of an auditor's duties in verifying the amount of royalties payable under a licence. A Professional Note in our issue for January, 1958 (page 2) reported and discussed this aspect of the case.

There was also a second point in the case. The licence in question was non-exclusive and provided that a royalty of six per cent. was to be paid on one class of goods, four per cent. on another class and three per cent. on a third; it was further provided that should another licence be granted at a lower royalty "that lower royalty shall apply in substitution for the royalty herein agreed." Another licence was in fact granted by the licensors to B., stipulating for a royalty of five per cent. on various articles falling within the three classes, and the respondents contended that they were entitled to have reduced to five per cent. the royalties which they had previously been paying at six per cent. The House of Lords accepted this contention, saying that on a true construction of the agreement "royalty" meant the relevant royalty for articles in a comparable category; it did not mean the total sum payable for all articles produced under the licence.

Contract and Tort—
Damages for Breach of Hiring Agreement
Another case on damages was **Inter-office Telephones Ltd. v. Robert Freeman Co. Ltd.** [1957] 3 W.L.R. 971. The plaintiffs had hired to the defendants for twelve years an office telephone installation and had undertaken to maintain it during that period. After six years the defendants were obliged to leave the premises and to repudiate the agreement. In the court of first instance the Judge held that the damages must be assessed on the basis that the plaintiffs could have relet the installation after a reasonable period and he accordingly fixed as damages rent for six months plus the cost of removal and reconditioning. The Court of Appeal disagreed with the decision, saying that damages must be assessed on the same basis as on a breach of a contract to accept and pay for goods; as the plaintiffs had given evidence that they held a sufficient stock of equipment to meet anticipated demands, the correct measure of damages was the whole amount of the rental for the rest of the term less (i) an allowance for maintenance, (ii) a deduction to take account of the fact that the rental would have been paid over a period but the damages would be paid in a lump sum and (iii) the depreciated value of the installation less the cost of reconditioning.

Executorship Law and Trusts—
Devolution on Intestacy
On the death of L. intestate her nearest surviving relatives were the children of aunts and uncles who had predeceased her. If the Administration of Estates Act, 1925, had remained in its original form, these cousins would clearly have been entitled to share in the estate, but in **Re Lockwood deceased** [1957] 3 W.L.R. 837 the Crown contended that it was entitled to the estate as *bona vacantia* owing to an amendment in the law made by the Intestates Act, 1952. Section 47 (5) of the 1925 Act, as amended, reads: "It is hereby declared that, where the trusts in favour of any class of relatives of the intestate, other than issue of the intestate, fail by reason of no member of that class attaining an absolutely vested interest, the residuary estate . . . shall devolve . . . as if the intestate had died without leaving any member of that class or issue of any member of that class living at the death of the intestate." The Crown contended that the uncles and aunts formed the class to be considered, and that as none of them attained a vested interest their children were excluded. Harman, J., pointed out that, if the construction for which the Crown contended was right, very strange results would follow: for example, if an intestate's brothers and sisters predeceased him, their children would be excluded in favour of cousins. The legislature could not have intended such an absurd result, and in his view the court should construe "class" in the earlier part of the sub-Section as including not only the primary class (in this case the uncles and aunts) but also the issue of that class.

The Student's Columns

THE INVESTMENT ALLOWANCE

THE INVESTMENT ALLOWANCE was first granted under the provisions of Section 16, Finance Act, 1954. The allowance, which varied with the type of capital expenditure, was to be given in respect of capital expenditure on new assets incurred after April 6, 1954. The investment allowance in respect of expenditure on industrial buildings, plant and machinery and construction of works for mining etc. was and is given in the year of assessment in the basis period for which the expenditure was incurred. Relief in respect of expenditure on agricultural buildings and works and scientific research is given in the first year of assesment in which the normal allowance is given. Unlike the initial and annual allowances, the investment allowance is never deducted from the original cost of the asset when calculating future annual allowances or balancing allowances or charges. It is a "bounty" from the other taxpayers!

Illustration

Plant is purchased on June 12, 1955, for £10,000. The basic annual allowance is 8 per cent. The business makes up its accounts to September 30 in each year. The plant is sold for £7,000 on October 31, 1957. The balancing allowance will be £290, as follows:

			Total Reliefs
		£	£
Cost 12/6/55		£10,000	
Less: 1956/57 Investment allowance	£2,000		2,000
Annual allowance 5/4ths of 8 per cent. = 10 per cent.		1,000	1,000
		9,000	
1957/58 Annual allowance ..		900	900
		8,100	
1958/59 Annual allowance ..		810	810
		7,290	
1959/60 Sale proceeds		7,000	
Balancing allowance ..		290	290
Reliefs given			5,000
Cost of plant £10,000–£7,000			3,000
"Bounty" equal to investment allowance			2,000

The rates of investment allowance given by the provisions of the Finance Act, 1954, are:

Expenditure on	*Percentage of the expenditure*
Industrial buildings	10
Plant and machinery	20
Construction of works for mines, oil wells, etc. ..	20
Agricultural buildings and works	10
Scientific research expenditure	20

Section 15, Finance Act, 1957, increases the investment allowance for expenditure incurred on the provision of a ship after April 9, 1957, to 40 per cent. This increase was made to assist the shipping industry, which is suffering from severe competition from ships operated by companies formed in countries in which little or no taxation on profits is paid.

The investment allowance is given only in respect of new and unused (not secondhand) plant and cannot be claimed in respect of expenditure on road vehicles unless of a type not commonly used as private vehicles. The investment allowance replaced the initial allowance in respect of expenditure on industrial buildings and new plant (other than motor cars) but one or the other could be claimed in respect of expenditure on the construction of works for mines, oil wells, etc. But the initial allowance could still be claimed for expenditure on secondhand plant and new and secondhand motor vehicles. Initial allowances have never been given for expenditure on agricultural buildings and works and scientific research.

Section 15, Finance Act, 1956, radically alters the above position in respect of expenditure incurred after February 17, 1956. As a result the investment allowance can be claimed on such expenditure only if it was incurred on:

(*a*) the provision of ships;

(*b*) industrial buildings or structures or machinery or plant in so far as the expenditure consists of—

(i) expenditure incurred in adding, to any building, structure, machinery or plant in the United Kingdom which is or has been already in use, any insulation against loss of heat; or

(ii) expenditure incurred on providing, by way of modification or replacement of plant which is or has been already in use, plant of any description prescribed by the Treasury as in the interests of fuel economy. Such plant includes grate and ram

type mechanical stokers, pulverised fuel burners, semi-automatic and hand controlled oil burners together with the necessary oil storage tanks, flue gas feed water economisers, steam accumulators, automatic dampers and gas pressure governors;

(*c*) adding insulation against loss of heat to any building or structure which is or has been already in use, and in which artificial heating is regularly used for the purpose of husbandry and forestry;

(*d*) industrial buildings, plant and machinery, the construction of works for mines and agricultural buildings incurred under a contract entered into on or before February 17, 1956;

(*e*) scientific research.

Where plant is being acquired under a hire purchase agreement and some instalments are paid before February 17, 1956, and some after that date, if the investment allowance is claimable on those paid prior to February 17, 1956, it may be claimed on those paid after.

Illustration

A company makes up its accounts to December 31 in each year. On June 30, 1955, it entered into a hire purchase agreement for the acquisition of a new boring mill with a cash price of £15,000. The agreement provided for 24 instalments of £700 each. The capital allowances computation (basic rate of wear and tear 8 per cent.) would be as follows.

The difference between the total hire purchase price of £16,800 and the cash price of £15,000 is £1,800. Spread evenly over each instalment, the "interest" portion is £75, so that the capital portion is £625 per instalment.

	£	
Cost, June 30, 1955	15,000	
Less 1956/57 Annual allowance 5/4ths of 8 per cent.	1,500	Investment allowance 1956/57 on 6 payments of £625 each=£3,750 gives an allowance of £750.
	13,500	
Less 1957/58 Annual allowance	1,350	Investment allowance 1957/58 on 12 payments of £625 each= £7,500 gives an allowance of £1,500.
	12,150	
Less 1958/59 Annual allowance	1,215	Investment allowance 1958/59 on 6 payments of £625 each=£3,750 gives an allowance of £750.
	10,935	

As a result of Section 15, Finance Act, 1956, therefore, initial allowances and not investment allowances are claimable on expenditure after February 17, 1956, on industrial buildings, plant and machinery and the construction of works for mining. As stated above, initial allowances are *not* claimable in respect of expenditure on agricultural buildings or works.

Cash Accounting and Commercial Accounting

THE POST OFFICE is obliged to keep cash accounts, since all Government Departments must account to Parliament on a cash basis. It must also keep commercial accounts, since it is a trading concern and needs to know the outcome of its trading, partly in order to fix charges for its services.

The introduction to the *Post Office Commercial Accounts and Report, 1956/7* (H.M. Stationery Office, 2s. 3d. net) contains for the edification of the non-accounting public a statement of the differences between cash and commercial accounts. We reproduce the statement, which also serves as a useful summary of the two bases for the student of accountancy.

Items	*Cash Accounts*	*Commercial Accounts*
Incomings	Cash received in the year is included	Income earned in the year is included, irrespective of when the money is received (for example, from telephone calls made during the year but paid for after the end of the year).
Outgoings	Cash paid in the year is included.	Expenditure incurred in the year is included irrespective of when the money is paid (for example, for services rendered by contractors during the year but paid for after the end of the year).
Charges in respect of capital assets:		
(*a*) Capital repayment	Included ..	Not included.
(*b*) Depreciation ..	Not included ..	Included.
(*c*) Interest	Included ..	Included.
Services to or from other Departments without cash settlements.	Not included ..	Credited as income or debited as expenditure as the case may be.
Stores	Included when cash paid.	Included when stores used.
Pensions	Include only cash paid to pensioners in the year.	Debited with pension rights accruing to serving staff during year (but not giving rise to payments until retirement).

Work-in-Progress

THE VALUATION OF work-in-progress for income tax purposes is the subject of many arguments. Fundamentally, the expenditure on work-in-progress is deferred revenue expenditure—money disbursed in one period for the benefit of a future period. Normally no profit need be brought into account on any job or process until it is completed (hence the adjustment provided for profits tax purposes to bring in estimated profit), but that is no argument for not carrying forward the cost to date in so far as it is expected to enter into completion and realisation of the job or process.

In manufacturing, building and the like, the prime cost is the minimum cost to date. In most circumstances, overheads can also properly be added to arrive at true cost. However, the total cost can be reduced only if it can be shown that it is likely to be in excess of realisable value.

In a professional account, that of an accountant, solicitor, etc., work-in-progress ought to be costed by reference to the usual rates of charge, but having regard to any special arrangement such as an agreement upon a fixed fee for the job. In some instances, as when estate agents are selling houses, the work-in-progress may have no value unless and until the job is completed.

The importance of proper valuation cannot be exaggerated. While undervaluation decreases the apparent profits while real profits are rising, it increases them when real profits are falling. The accurate method is always safe—apart from being the right method!

Overvaluation distorts profits in the converse way, but has the even greater danger that overdrawings against profits may be made, declared dividends may be too big, and so on.

Notices

Every year nearly two hundred courses and conferences are held by the **Industrial Welfare Society,** Robert Hyde House, 48 Bryanston Square, London, W.1. The range is from meetings lasting half a day to residential courses of a week. Many aspects of human relations and industry are covered, including apprentice training, absenteeism, foremanship, suggestion schemes, canteens, house magazines, work simplification in the office, pensions, profit sharing and research in the retail trade.

A course of four **special university lectures in economics and political science** will be given by Professor D. Patinkin, PH.D., of the Hebrew University, Jerusalem, on March 6, 7, 10 and 11 at 5 p.m. at the London School of Economics and Political Science, Houghton Street, Aldwych, London, W.C.2. The syllabus for the first two lectures is *Liquidity-Preference and Loanable-Funds Theories: Stock and Flow Analysis*, and for the third and fourth *A Restatement of Keynesian Economics*. Admission is free, without ticket.

The inaugural meeting of the Manchester Chapter of the **Institute of Internal Auditors** was held on January 22. The following principal officers were elected: President, Mr. H. C. Booth, A.C.A.; Vice-President, Mr. K. Bradley, A.C.I.S.; Secretary, Mr. R. S. Rossiter; Treasurer, Mr. R. B. Hyde, A.C.A. The Governors of the Chapter are the four principal officers and Mr. A. D. Compston, A.C.A. Meetings will be held in March, April and May. Further information is obtainable from the Secretary at Shell Mex and B.P. Limited, 7 Oxford Road, Manchester.

A hire service for Volkswagen microbuses converted into **mobile offices** is offered by J. Davy Car Hire Ltd., London. The hire charge is £12 per week with 200 free miles, or £18 10s. with unlimited mileage.

The **B.I.M.-Polytechnic executive programme** comprises a four-week residential course in management for senior executives, sponsored by the British Institute of Management and the Department of Management Studies of the Regent Street Polytechnic. A major theme of the programme is the need for adaptability to change. Courses in 1958 start on February 10, April 14 and November 10. The charges are 100 guineas for tuition and 65 guineas for residence in a London hotel.

A series of six evening lectures on **Applications of O. and M. Techniques** will start on February 17, under the auspices of the O. and M. National Committee of the Office Management Association. The lectures will show how office procedures have been simplified and improved. The last session will be an open forum at which the lecturers will answer any questions. Further information on this series and on other courses can be obtained from Mr. J. L. Cousins, Office Management Association, 58 Victoria Street, London, S.W.1.

We regret that Mr. C. A. Whittington-Smith, the author of the article *Interest on Partnership Capital* in our January issue, was wrongly described as "LL.M., A.C.A." As well as being LL.M., he has for many years been an F.C.A.

The Institute of Chartered Accountants
in England and Wales

Meetings of the Council

AT SPECIAL AND ordinary meetings of the Council held on Wednesday, February 5, 1958, at the Hall of the Institute, Moorgate Place, London, E.C.2, there were present: Mr. W. H. Lawson, C.B.E. (President) in the chair, Mr. W. L. Barrows (Vice-President), Mr. E. Baldry, Mr. C. Percy Barrowcliff, Mr. T. A. Hamilton Baynes, Mr. J. H. Bell, Mr. H. A. Benson, C.B.E., Mr. J. Blakey, Mr. W. G. Campbell, Mr. P. F. Carpenter, Mr. W. S. Carrington, Mr. D. A. Clarke, Mr. J. Clayton, Mr. C. Croxton-Smith, Mr. W. G. Densem, Mr. W. W. Fea, Sir Harold Gillett, M.C., Mr. J. Godfrey, Mr. P. F. Granger, Mr. L. C. Hawkins, Mr. J. S. Heaton, Mr. D. V. House, Sir Harold Howitt, G.B.E., D.S.O., M.C., Mr. P. D. Irons, Mr. H. O. Johnson, Mr. H. L. Layton, M.S.M., Mr. R. B. Leech, M.B.E., T.D., Mr. R. McNeil, Mr. J. H. Mann, M.B.E., Mr. Bertram Nelson, C.B.E., Mr. W. E. Parker, C.B.E., Mr. C. U. Peat, M.C., Mr. F. E. Price, Mr. P. V. Roberts, Mr. L. W. Robson, Sir Thomas Robson, M.B.E., Mr. G. F. Saunders, Mr. K. G. Shuttleworth, Mr. C. M. Strachan, O.B.E., Mr. J. E. Talbot, Mr. E. D. Taylor, Mr. G. L. C. Touche, Mr. A. D. Walker, Mr. M. Wheatley Jones, Mr. E. F. G. Whinney, Mr. J. C. Montgomery Williams, Mr. R. P. Winter, M.C., T.D., Sir Richard Yeabsley, C.B.E., with the Secretary and Assistant Secretaries.

Admissions to Membership under the Scheme of Integration
The Council acceded to applications from 4,945 members of the Society of Incorporated Accountants for admission to membership of the Institute pursuant to the Scheme of Integration referred to in Clause 34 of the Supplemental Charter. All the new members have been notified.

With the eight members admitted at the Council meeting on December 4, 1957, and the 977 admitted at the Council meeting on January 8, 1958, this makes a total of 5,930 members admitted under the Scheme of Integration.

The Council expects to be able to admit to membership at its meeting on March 5, 1958, the bulk of the remaining members of the Society of Incorporated Accountants who have applied for admission to membership of the Institute.

Re-admission
One application for re-admission to membership was acceded to.

Exemption from the Preliminary Examination
Three applications under bye-law 79 for exemption from the Preliminary examination were acceded to.

Exemption from the Intermediate Examination
(*a*) Twenty-four applications under bye-law 85 (*a*) for exemption from the Intermediate examination were acceded to.
(*b*) Two applications under bye-law 85 (*b*) for exemption from the Intermediate examination were acceded to and two applications were not acceded to.

Reduction in Period of Service under Articles
Five applications under bye-law 61 for a reduction in the period of service under articles were acceded to.

Chartered Accountants Employees Superannuation Scheme
The following were appointed to serve on the first committee of C.A.E.S.S. under the chairmanship of Mr. R. W. L. Eke, F.C.A., in accordance with Rule 25 (2) of C.A.E.S.S.:

Employers' Committeemen:
Mr. T. A. Hamilton Baynes, M.A., F.C.A., Birmingham.
Mr. E. W. P. Broad, T.D., F.C.A., Tunbridge Wells.
Mr. D. A. Huggons, A.C.A., London.
Mr. S. Jackson, B.COM., F.C.A., London.
Mr. R. A. Palmer, T.D., M.A., F.C.A., Northampton.

Members' Committeemen:
Mr. K. J. Lethieullier, A.C.A., London.
Mr. A. McGuire, London.
Mr. P. J. Mellors, A.C.A., London.
Mr. C. H. Pittman, A.C.A., London.
Mr. J. H. Ward, Chelmsford.

Autumn Meeting, 1958
The papers to be presented at the Autumn Meeting to be held in London on October 2-4, 1958, will be *The future role of the accountant in practice*, by Mr. H. A. Benson, C.B.E., F.C.A., *The future role of the accountant in industry*, by Mr. W. W. Fea, B.A., A.C.A., and *The progress of tax reform*, by Mr. W. S. Carrington, F.C.A. Further details of the meeting will be circulated to all members of the Institute in England and Wales in due course. Any member overseas who is likely to be in this country at the time and would like to be present at the meeting is asked to write to the Secretary so that details may be sent to him.

Articled Clerks Engaging in Other Business
Two applications under bye-law 57 from articled clerks to engage during their service under articles in other business for the sole purpose and to the limited extent specified in their applications were acceded to.

Intermediate Examination
One application under bye-law 81 for permission to sit an earlier Intermediate examination was not acceded to.

Articled Clerks in Industrial Organisations
Two applications under bye-law 58 (c) from articled clerks to spend a period not exceeding six months in an industrial or commercial organisation during service under articles were acceded to.

Scheme of Integration—
The Society of Incorporated Accountants: Articled Clerks and Bye-law Candidates.
The Council decided that the statement on pages 92–93 be included in the proceedings of the Council.

Exemption from the Preliminary Examination: Bye-law 79
Bye-law 79 provides that the Council may grant exemption from the Preliminary examination to a person not being under thirty years of age who at the date of his application for exemption shall have been for ten years continuously in employment as a clerk to a member or members in practice.

The Council has decided that for the purpose of the above bye-law the words "clerk to a member or members in practice" shall include a clerk to a member of the Society of Incorporated Accountants practising as a public accountant in England or Wales who becomes a Fellow or Associate of the Institute as a result of the scheme of

integration, so that any employment with such a member prior to his admission to membership of the Institute may be accepted within the meaning of bye-law 79.

Permitted Number of Articled Clerks

1. In its statement dated August 7, 1957, the Council indicated the circumstances in which it was prepared to allow articled clerks of the Society and bye-law candidates to be regarded as supernumerary to a basic complement of **two** articled clerks.
2. On further consideration the Council has decided that **all articled clerks of the Society and bye-law candidates who were with a member or firm at November 2, 1957, may be regarded as supernumerary to the complement of four articled clerks while they remain with that member or firm.** ("Member" in this statement includes any Incorporated Accountant who becomes a fellow or associate under the scheme of integration.) This decision will apply in the case of a bye-law candidate whether he continues as such, becomes an articled clerk for the balance of his service or (if he commenced his service within a year of the effective date) elects to disregard his bye-law service and enter into normal Institute articles.
3. The Council wishes, however, to remind members that, except in the circumstances set out in paragraph 2, no member may have more than four articled clerks unless he has obtained the specific permission of the Council. The Secretary will, on application, indicate what information should accompany a request for such permission.

Examination Results—November, 1957

The Examination Committee reported the results of the examinations held in November, 1957, as follows:

	Passed	*Failed*	*Total*
Preliminary	37	75	112
Intermediate	626	694	1,320
Final	499	583	1,082

(The names of the recipients of prizes and certificates of merit, as recorded in the Council report, are shown on pages 93–99 of this issue.)

Cheating at Examinations

The Chairman of the Examination Committee reported that a candidate in the November 1957 Final examination had been found to be in possession of notes in the examination room during one of the papers and that the Examination Committee had, after enquiry, disqualified this candidate and informed him that he would not be allowed to present himself for examination on any subsequent occasion.

The Society of Incorporated Accountants—November, 1957, Examinations

It was reported that the Society of Incorporated Accountants had, in accordance with the resolution of the Council of the Institute, conducted examinations in November, 1957, and declared the results as follows:

Intermediate

	Pass	*Fail*	*Total*
	291	378	669

Final

	Pass	*Fail*	*Total*
Parts I & II together	8	20	28*
Part I only	159	202	361
Part II only	208	179	387

South African Special Final

	Pass	*Fail*	*Total*
	3	5	8

* In addition, 12 candidates who sat for both parts passed in Part I only and 3 such candidates passed in Part II only.

Associates Commencing to Practise

The Council received notice that the following associates have commenced to practise:

ABLESON, BENJAMIN JOSEPH; A.C.A., 1954; 13 Dunstan Road, London, N.W.11.

ADAMS, DAVID KEITH, B.COM.; A.C.A., 1954; (Bryce Hanmer & Co.), 1/3 Stanley Street, Liverpool 1.

ALCOCK, JOHN STEPHEN; A.C.A., 1951; (W. H. Jones & Co.), Crane Building, Hanover Street, Liverpool 1.

ALDERSLADE, HUGH VERNON; A.C.A., 1954; 17 Bullescroft Road, Edgware, Middlesex.

BEAVER, JOHN ANTHONY; A.C.A., 1956; (Beaver, Bowen & Co.), Rawcliffe Chambers, 1 Hoghton Street, Southport.

BONSOR, DAVID WILLIAM, A.C.A., 1958 (S. 1955); (C. H. Ivens & Co.), 12a North Street, Rugby.

BRASS, EWART BIRRELL; A.C.A., 1952; (D. J. Brass, Scott & Co.), 49 Queen Victoria Street, London, E.C.4.

CAIN, JAMES CROOKALL; A.C.A., 1953; (W. H. Walker & Co.), P.O. Box 16, 50 Athol Street, Douglas, Isle of Man, and at Liverpool and London.

CAMAMILE, GERRARD HUGH, M.A.; A.C.A., 1953; (J. S. Streets & Co.), Newland Chambers, Beaumont Fee, Lincoln.

CARPENTER, RAYMOND ERNEST GEORGE, A.C.A., 1952; (Polak & Carpenter), 6 Guildhall Chambers, Basinghall Street, London, E.C.2.

CHANDLER, ANTHONY JOHN; A.C.A., 1954; (Martin, Smith & Garton), Abford House, Wilton Road, London, S.W.1.

COOKE, GEORGE ARTHUR; A.C.A., 1951; (*Francis S. Clark & Co.), Barclays Bank Building, Alphington Street, Exeter, and at Newton Abbot and Teignmouth.

DRAKE, DEREK JOSEPH; A.C.A., 1957; (D. J. Drake & Co.), 397 London Road, Mitcham, Surrey.

FIGOV, KENNETH JOHN; A.C.A., 1957; 44 Tyndale Mansions, Upper Street, London, N.1.

FISHER, HENRY LEE; A.C.A., 1947; (Norton, Slade & Co.), 453 Salisbury House, London Wall, London, E.C.2.

FITTON, BRIAN KENYON; A.C.A., 1950; (Dearden, Gilliat & Co.), (R. F. Miller & Co.) and (Marshall Gibbon & Co.), Croxley House, 14 Lloyd Street, Albert Square, Manchester, 2.

FREEDMAN, MAURICE; A.C.A., 1957; (Freedman & Co.), 4–6 Hatton Wall, London, E.C.1, and 614 Watford Way, London, N.W.7.

GARRETT, DENNIS, A.C.A., 1948; (†Turquand, Youngs & Co.), 19 Coleman Street, London, E.C.2, and at Malta, G.C., and Tripoli.

GILLIAT, JOHN MARTYN, B A.(COM.); A.C.A., 1954; (Dearden, Gilliat & Co.), (R. F. Miller & Co.), and (Marshall, Gibbon & Co.), Croxley House, 14 Lloyd Street, Albert Square, Manchester 2.

GRAY, JOHN NEVILLE, B.COM.; A.C.A., 1956; (Bloomer, Heaven & Co.), Dilworth House, 190 Broad Street, Birmingham 15.

GUSTERSON, RONALD GEORGE; A.C.A., 1953; (C. H. Ivens & Co.), 12a North Street, Rugby.

HALLIDAY, IAN FRANCIS, M.A.; A.C.A., 1955; (†Armitage & Norton), Station Street Buildings, Huddersfield.

HAYMAN, ROGER DERRICK; A.C.A., 1928; Alexandra House, 1 Cross Street, Northam, Bideford, Devon.

HINCHLIFFE, RALPH ERIC; A.C.A., 1953; (Smith & Garton), 23 John William Street, Huddersfield.

JONES, GEORGE BARRETT; A.C.A., 1958; (S. 1937); (Thornton & Thornton), Lloyds Bank Chambers, High Street, Evesham, Worcs. (for other towns see Thornton & Thornton).

JOYNT, FRANK GORDON; A.C.A., 1956; 20 Rosebery Road, Stanwix, Carlisle.

KEMP, MARTIN LINDLEY; A.C.A., 1955; (*Kemp & Beggs), 11 Rumford Street, Liverpool 2.

KREDITOR, GERALD; A.C.A., 1955; (Gerald Kreditor & Co.), 4, Holder's Hill Crescent, Hendon, London, N.W.4.

LAWTON, HARRY; A.C.A., 1948; (Dearden, Gilliat & Co.), (R. F. Miller & Co.), and (Marshall, Gibbon & Co.), Croxley House, 14 Lloyd Street, Albert Square, Manchester 2.

LUGG, DAVID JOHN; A.C.A., 1953; (Lodge & Winter), 19 Lemon Street, Truro.

MATHER, JOHN; A.C.A., 1953; (Edward Mitchell & Son), 71, Saltergate, Chesterfield.

MORRIS, DAVID ERIC; A.C.A., 1948; High Wood, Bickerton, Malpas, Cheshire.

NUNES VAZ, HENRY PHILIP; A.C.A., 1956; (Bolton, Pitt & Breden), 27 Clement's Lane, Lombard Street, London, E.C.4.

RAFFERTY, JOHN; A.C.A., 1956; 24 Kettlebrook Road, Tamworth, Staffs.

RANSOM, ROBERT STEPHEN; A.C.A., 1957; (Macnair, Mason, Evans & Co.), Capel House, 62, New Broad Street, London, E.C.2.

REMNANT, THE HON. JAMES WOGAN; A.C.A., 1955; (†George A. Touche & Co.),

† Against the name of a firm indicates that the firm, though not wholly composed of members of the Institute, is composed wholly of chartered accountants who are members of one or the other of the three Institutes of chartered accountants in Great Britain and Ireland.
* Against the name of a firm indicates that the firm is not wholly composed of members of one or the other of the three Institutes of chartered accountants in Great Britain and Ireland.
Firms not marked † or * are composed wholly of members of the Institute.

Suffolk House, Laurence Pountney Hill, London, E.C.4, and at Birmingham.

ROSLING, DEREK NORMAN; A.C.A., 1955; (Smith & Garton), 23, John William Street, Huddersfield.

SCHOLEY, GEOFFREY MICHAEL; A.C.A., 1956; (Barnitt & Scholey), 69 Bardon Chambers, Infirmary Street, Leeds, 1.

SHORE, CECIL MICHAEL; A.C.A., 1955; (Derbyshire & Co.), Hanover House, 73/78, High Holborn, London, W.C.1.

SHOTLIFF, RAYMOND HAROLD; A.C.A., 1955; (Lambeth, Johnstone & Co.), 160, Piccadilly, London, W.1, and at Cheltenham and Stroud.

SIMS, JOHN, B.SC.(ECON.); A.C.A., 1948; (Fuller, Wise, Fisher & Co.), 55/61, Moorgate, London, E.C.2.

SPOOR, ROGER CHARLTON; A.C.A., 1955; (J. C. Graham & Spoor), Norham House, 12 New Bridge Street, Newcastle upon Tyne, 1.

STONE, PHILIP GORDON; A.C.A., 1935; (J. S. Streets & Co.), Newland Chambers, Beaumont Fee, Lincoln.

STRAUS, AARON; A.C.A., 1957; 30 Eastside Road, Golders Green, London, N.W.11.

WEAKS, JOHN MICHAEL; A.C.A., 1952; (Thatcher & Payne), 113 Walter Road, Swansea, and at Carmarthen.

Election to Fellowship

(*a*) Thirty-six applications from associates for election to fellowship under clause 6 of the Supplemental Charter (bye-law 31) were acceded to.

(*b*) Four applications from associates for election to fellowship under clauses 6 and 31 of the Supplemental Charter (bye-law 31) were acceded to. A list of those who complete their fellowship before February 18 will appear in our next issue.

Resignations

The Council accepted the resignation from membership of the Institute of:

BURTENSHAW, FRANK AUBREY, F.C.A., Worthing.

DE PASS GEOFFREY PAMRIAL BARBE, A.C.A.' Connecticut, U.S.A.

DIAPER, ARTHUR FELGATE, A.C.A., Rottingdean, Sussex.

HAINES, CAMPBELL WILLIAM, A.C.A., Dallas, Texas.

LEAN, EDMUND WYLDE, F.C.A., Eastbourne.

MESSENGER, ERNEST, F.C.A., Marple, Cheshire.

RUMSEY, FREDERICK, A.C.A., Petersham, Surrey.

SAUNDERSON, HERBERT JOHN, A.C.A., Hemel Hempstead.

WYLIE, JOHN SHAW, A.C.A., Upwey, Dorset.

Registration of Articles

The Secretary reported the registration of articles of clerkship as follows:

	1958	1957
January	152	124

Change of Name

The Secretary reported that the following change of name has been made in the Institute's records:

HILLEL, ARNOLD to HILL, ARNOLD PAUL.

Deaths of Members

The Council received with regret the Secretary's report of the deaths of the following members:

ALLEN, D'ARCY CURZON, F.C.A., London.

BRIGGS, JAMES ROBARTS, A.C.A., Harpenden.

DWERRYHOUSE, WILLIAM ROSSER, F.C.A., Pembroke Dock.

FOSTER, HUBERT EDGAR, A.C.A., Purley.

HAGUE, JAMES BOYNS, A.C.A., London.

JAMES, GERALD BRIAN, B.COM., A.C.A., Coventry.

KINNIS, JOHN ROBERT, F.C.A., Cleethorpes.

MANN, SIDNEY GEORGE, A.C.A., Birmingham.

MATTHEWS, EDWARD MORRETT, A.C.A., Manchester.

MONKHOUSE, WILFRED ADRIAN, A.C.A., Worthing.

NIXON, HORACE HELDEN, A.C.A., London.

PATERSON, RICHARD ALEXANDER ELLIOT, F.C.A., Bridge of Allan.

PICKUP, ALLAN, A.C.A., Aylesbury.

SYKES, CHARLES HYDE, A.C.A., Abergele.

VERNON, NORMAN HORACE, A.C.A., Beaconsfield.

WILDIN, HORACE STEPHEN, A.C.A., Liverpool.

WILKES, JAMES SMITH, M.B.E., A.C.A., Berkhamsted.

Integration Scheme

The Society of Incorporated Accountants: Articled Clerks and Bye-law Candidates.

(1) The following statement embodies regulations which the Council has made under bye-law 120 and is also intended to clarify a number of points which have arisen from the operation of the scheme of integration.

Interruption of service as an articled clerk of the Society or as a bye-law candidate on account of national service or of a degree course at a university

(2) Those individuals whose service under incorporated articles or whose qualifying service with the Society was interrupted by national service or by a university degree course so that at the effective date of the scheme they were not actually undertaking such service are invited to write to the Institute.

Articled clerks of the Society and bye-law candidates also serving under articles with a member of the Institute

(3) The form of application to register under the scheme provides for an articled clerk of the Society or bye-law candidate to give particulars if he is also serving under articles with a member of the Institute. If they have not already done so, those concerned should write to the Institute so that they may be informed of their appropriate course of action.

Former articled clerks of the Society and former bye-law candidates who are serving under articles with a member of the Institute

(4) An articled clerk of the Institute who was formerly an articled clerk of the Society or a bye-law candidate who, on entering into articles with a member of the Institute, gave up his incorporated articles or qualifying service, should write to the Institute if he has not already done so.

Members of the Society serving under articles with a member of the Institute

(5) Any member of the Society who at the effective date of the scheme was serving under articles with a member of the Institute should write to the Institute if he has not already done so. The attention of those concerned is drawn to paragraph 4 (IV) of the rules of eligibility for examinations included in the notes which accompany the form of application to register under the scheme.

Transfers of articles and changes of employment

(6) Clause 13 of the scheme provides:—

"Any articled clerk or bye-law candidate of the Society who, after the effective date, desires to transfer his articles or, as the case may be, to change his employment shall obtain the consent of the Council of the Institute to such transfer or change and unless he do so, service after such transfer or change shall not count towards the completion of his articles or his qualifying service unless the Council of the Institute otherwise directs. In giving any such consent or direction, the Council of the Institute may impose such terms and conditions, if any, as it may consider appropriate."

(*a*) The following notes are issued for the guidance of articled clerks and bye-law candidates in relation to clause 13. These notes do not and are not intended in any way to restrict the Council in the exercise of the "consent or direction" referred to in that clause; the Council remains empowered in any individual case to give or to withhold its consent and to impose terms and conditions, if any, as it may consider appropriate.

(*b*) No application for the consent referred to in clause 13 need normally be made where by agreement between the parties it is desired to transfer articles from one principal to another *and* the transfer is lodged for registration with the Institute in the usual manner.

(*c*) In any other circumstances a formal application must be submitted. This application must include:

(i) particulars of the change of employment it is desired to make;

(ii) the reasons for the proposed change;

(iii) a letter from the prospective new employer stating his willingness to accept the applicant and giving details of the number of members of the English, Scottish and Irish Institutes who are partners in the firm or members of the staff, the number of articled clerks (including those serving under indentures or articles with members of the Scottish and Irish Institutes) and bye-law candidates already serving in that firm and the total number of staff employed.

The Council's concern will be to ensure that as far as practicable proper training facilities are available for every person serving under articles or continuing his qualifying service with a view to the maintenance and advancement of the standards of training for the profession.

Reduction in service under articles: bye-law 61

(7) Bye-law 61 provides:—

"The Council may, by resolution at a meeting specially convened with notice of the object (at which meeting there shall be present not less than twenty-four members of the Council and for which resolution not less than three-fourths of those present and voting shall vote), in the case of a person who has passed or has been exempted from the Preliminary examination under the provisions of these bye-laws and who has at the date of such meeting been for ten years continuously in employment as a clerk to a member in practice or has had experience which in the opinion of the Council (whose decision shall be final) is equivalent to such employment, reduce the period for which such person must serve under articles to not less than three years or, where such person is a graduate of a university of the United Kingdom, to not less than two years."

(8) The Council is prepared to consider applications under bye-law 61 from those articled clerks of the Society and bye-law candidates who, under the scheme of integration, undertake the balance of their service under articles with a fellow or an associate of the Institute practising as a public accountant in England or Wales. In connection with all applications under bye-law 61 the Council has decided that:—

(*a*) employment under the age of sixteen years will not count towards the qualifying period of ten years;

(*b*) national service does not count as part of the qualifying period but a break in the period of emplyment due to national service will not prejudice an application;

(*c*) the substantial part of the total period must have been spent in the office of a public accountant;

(*d*) only in the most exceptional circumstances will the Council grant an application where the relevant experience has not been obtained in the United Kingdom.

The Institute of Chartered Accountants in England and Wales

Results of Examinations—November, 1957

FINAL EXAMINATION

Held on November 26, 27, 28 and 29, 1957.

Certificates of Merit with Prizes Awarded

First Certificate of Merit, the Institute Prize and the W. B. Peat Medal and Prize:
VOKINS, T. W. D. (A. Jolly), Hove.

Second Certificate of Merit and the Walter Knox Scholarship:
RATHBONE, S. D. (K. H. Fisher), London

Third Certificate of Merit and the Plender Prize for the English Law (Part I) paper:
ANTON, D. (G. E. Jones), London.

Fourth Certificate of Merit and the Plender Prize for the General Financial Knowledge, Cost and Management Accounting paper:
CORMIE, J. D. (P. A. Bayliss), London.

Fifth Certificate of Merit and the Plender Prize for the Taxation paper:
SLATER, D. J. H. (H. K. Campbell), Bristol.

Sixth Certificate of Merit:
COOMBE, J. R. (H. H. Mason), London.

Seventh Certificate of Merit:
PARKER, C. D. (G. W. Wood), Battle.

Full List of Names of Sucessful Candidates
(*in alphabetical order*)

ABBOTT, P. G. (H. Collins), London.
ABDULLAH, M. R. B. (R. G. Leach), London.
ADAM, C. L. I. (E. A. Mortleman), London.
ADAMS, P. J. G. (L. Rank), York.
AGATE, R. M. (C. H. Tyson), Brighton.
AIREY, N. (J. Reynolds), Hull.
ALDERTON, D. A. (R. C. G. Tibbles), London.
ALLBUT, J. G. (S. R. Edwards), Kidderminster.
ALLEN, D. T. (R. S. Andrews), London.
AL-SHAMRI, A. M. H. (W. Stanton), London.
ANSTEE, N. K. (B. H. Jones), Reading.
ANTHONY, H. D. (R. W. Metcalf), London.
*ANTON, D. (G. E. Jones), London.
ARKLEY, D. W. (H. C. Kelley), Birmingham.
ASHTON, D. J. (I. Hewitt), Hull.
ASHWORTH, J. P. (F. D. Marshall), Manchester.

BAILEY, A. R. (J. S. Scoggins), Bexhill-on-Sea.
BAILEY, C. H. (R. B. Dixon), Birmingham.
BAILEY, F. L. (H. Daniels), Bolton.
BAIN, N. C. (E. E. Wilding), London.
BALDWIN, D. (R. E. Goddard), Brighton.
BANISTER, I. A. (N. D. Ednie), Bedford.
BARDSLEY, I. F. F. (J. Bardsley), Newark.
BARKER, J. D. (G. P. Norton), Huddersfield.
BARTER, J. H. (H. Robinson), Norwich.
BARTLETT, A. H. P. (H. W. C. Bartlett), London.
BARTON, J. E. (C. B. Brecknock), Nottingham.
BEAMER, G. B. (F. Cook), Liverpool.
BEASLEY, A. W. (E. J. Garner), Nuneaton.
BECKETT, B. C. J. (R. D. Lea), Leicester.
BELL, R. G. (J. E. Critchley), Oxford.
BENNETT, A. H. M. (E. Bostock), London.
BENNETT, W. J. (C. Brassington), Wolverhampton.
BENNETTS, D. H. (H. K. G. Martyn), Truro.
BENNINGTON, D. J. (G. Stoughton-Harris) London.
BENTLEY, M. J. (A. G. Warne), London.
BERMAN, J. D. (E. N. Jacobs), London.
BERRIDGE, H. (H. H. Wheatley), Hull.
BERRY, A. (A. C. Tooke), London.
BEVAN, J. G. (J. E. Barris), London.
BICKELL, B. (K. W. G. Webb), London.
BIRNBAUM, R. (D. J. Hill), London.
BLAKESLEY, A. L. (S. Baines), Wolverhampton.
BLOOR, J. D. (E. P. R. Ainsworth), Manchester.
BOATH, D. W. (V. O. M'Quillin), London.
BOSU, A. (C. H. Aveyard), London.
BOURN, A. M. (G. H. Piner), London.
BOUTLE, G. C. (J. W. Williams), London.
BOWDER, D. (H. F. Hodson), Bradford.
BRADLEY, J. S. (R. W. Gorman), London.
BREWIS, G. (H. Murray), Newcastle upon Tyne.
BRIGGS, W. A. (C. Yates), Manchester.
BRIGHT, M. J. (A. W. Brooking), Bournemouth.
BROADBENT, H. A. (R. D. Edge), Manchester.
BROMLEY, R. K. (P. W. Mertens), London.
BROOKER, T. P. (W. E. Bason), Hitchin.
BROOKS, F. (K. A. Millichap), Manchester.
BROWN, A. J. (K. W. Clark), Reading.
BROWN, E. W. J. (J. S. Muir), London.
BROWN, G. R. L. (C. B. Holland), London.
BROWN, J. E. H. (W. A. Lamerton), London.
BROWN, P. H. (H. G. Daniels), Redhill.
BUCK, J. A. C. (C. H. S. Lewis), London.
BURMAN, P. R. (J. W. E. Crooke), Birmingham.
BURTON, A. J. (B. A. Reynolds), Ashford, Kent.
BUTLER, M. H. (H. G. Ellis), Nottingham.
BUTLER, W. D. (A. F. Ward), Bristol.
BUTTERS, P. S. (J. H. Jayson), London.
BYE, P. R. (R. E. Rodham), Middlesbrough.
BYRNE, B. H. (S. A. Stallebrass), London.

CALLARD, A. (A. G. Hirst), Liverpool.
CAMPBELL, C. J. (B. R. Pollott), London.
CATLOW, P. A. (D. C. Smith), Burnley.
CHAPMAN, N. A. I. (J. F. Shearer), London.
CHARITY, W. B. (A. Hodkinson), Preston.
CHATRATH, S. S. (B. Susman), London.
CHATWIN, B. (N. J. Wigley), Birmingham.
CHADHURI, P. K. (C. W. Payne), Stroud.
CHITTOCK, M. J. (A. E. C. Hartnell), London.
CLARK, A. C. (R. M. Bradburn), Liverpool.
CLARK, D. (J. W. Parker), Penrith.
CLARK, G. W. T. (C. B. Sebire), London.
CLEGG, P. V. (T. Myers), Manchester.
COHEN, D. M. (G. H. Kaye), London.
COLEBY, P. R. (D. B. Stretton), Freshwater.
COLLETT, C. (N. C. Elliott), London.
COLLIS, E. T. (G. G. Bissell), Birmingham.
COOK, J. J. (K. R. L. Sladen), London.
COOK, P. C. H. (A. B. MacIldowie), Manchester.
*COOMBE, J. R. (H. H. Mason), London.
COOMBES, M. J. (G. Connelly), London.
*CORMIE, J. D. (P. A. Bayliss), London.
CORNISH, E. J. (E. S. Dixon), Slough.
COTTON, B. J. P. (F. E. Worley), Chichester.

* See also Certificates of Merit above.

CRANE, M. T. (J. W. Saunders), London.
CROSS, J. D. (A. A. Moller), London.
CUCKSEY, J. D. (W. R. Burrough), London.
CUNNINGHAM, K. W. (H. T. Nicholson), London.
CURLEY, H. B. (W. E. Dewdney), Bristol.
CUTTER, E. (C. H. Middleton), Newcastle upon Tyne.

DALTON, G. H. (N. Kirkham), Wolverhampton.
DALZIEL, T. P. (A. F. J. Kearns), Manchester.
DANCY, D. A. (R. G. O. Rew), Horsham.
DANIEL, J. A. (D. G. Langford), Newport, Mon.
DANSER, A. J. (E. J. Roff), London.
DAVIES, M. O. (W. B. Holden), London.
DAVIES, T. (H. W. Sydenham), London.
DAVIS, J. B. (S. D. Jacob), Birmingham.
DAVIS, P. D. (B. Davis), London.
DAVISON, B. G. (E. G. Wilcox), Birmingham.
DAVISON, W. L. E. (A. W. Slee), Barnstaple (*Plender Prize for the Advanced Accounting (Part II) paper*).
DEBENHAM, N. J. (R. Cuttle), Chelmsford.
DENHAM, (Miss) E. (T. R. Maltby), Leeds.
DENNING, J. M. D. (E. H. Wingfield), London.
DICKENS, R. W. (J. B. S. Marsh), Loughborough.
DODD, A. J. C. (C. O. Skey), London.
DONNELLY, J. (A. G. Oliver), Birmingham.
DOWNIE, J. R. (C. Luxton), Bradford.
DOWNS, P. S. (S. Carr), Huddersfield.
DRAPE, J. S. (C. B. Richmond), Manchester.
DRURY, G. (C. M. Strachan), Hull.
DUNBAR, M. J. (S. H. Sharp), London.
DUNCAN, A. J. (W. H. Westhead), Stafford.
DUTTON, A. G. F. (W. Holland), London.

EAGLESFIELD, R. (A. F. Kearns), Manchester.
EDWARDS, B. (A. B. Plevey), Kidderminster.
EDWARDS, C. B. J. (S. P. Quick), London.
EDWARDS, S. C. (D. J. Dunn), Warrington.
ELAM, I. G. (T. S. Rawlinson), Bradford.
ELLICOTT, P. J. (A. S. Kennard), Newton Abbot.
ELLIOTT, P. W. (S. Kitchen), Birmingham.
ELLIS, D. S. (R. D. Fraser), London.
ELLIS, N. L. (J. N. Thurgood), London.
ELLSON, P. W. (P. J. Waghorn), London.
EMBY, A. T. (R. J. Ford), Maidstone.
EMERTON, P. J. (P. C. Greenwood), Reading.
ENTICKNAP, G. D. (N. A. Tolputt), Guildford.
EVANS, A. H. (C. E. McLay), Cardiff.
EVANS, M. R. N. (D. H. Stokes), Birmingham.

FARROW, M. (G. W. Cooper), Scarborough.
FAVIER, P. C. (H. P. Harris), London.
FEARNHAMM, C. P. (J. Dennington), Southend-on-Sea.
FENLEY, W. L. J. (A. J. Barsham), London.
FITTON, M. G. L. (J. S. Wortley), Sheffield.
FLETCHER, D. F. (F. R. Paine), London.
FODEN, G. H. (J. C. Howard), London.
FORREST, (Miss) W. P. (W. C. Brodie), London.
FORRESTER, A. (D. N. Walton), Manchester.
FOSTER, M. D. E. (R. Dunn), Leicester.
FRASER, J. G. (B. G. Rose), Birmingham.
FREEMAN, M. G. (L. Freeman), Leicester.
FRIER, G. D. (H. A. Esden), London.
FROST, (Miss) B. (D. H. Williams), Lewes.
FYFE, I. R. (A. J. Gray, Jnr.), Sunderland.

GARDINER, D. K. (H. E. Jenkinson), Sheffield.
GAYNOR, J. H. F. (C. D. Smith), London.
GERTLER, H. (J. T. Rutherford), London.
GIBSON, J. B. (F. Todhunter), Whitehaven.
GIFFIN, G. E. P. (Sir N. E. Waterhouse), London.
GILLIES, A. R. (E. W. Newman), Birmingham.
GLASS, K. M. (A. F. Chick), London.
GOODKIN, D. (S. B. Goodkin), Birmingham.
GOODMAN, J. V. (T. W. Selbey), London.
GOODMAN, N. M. (S. S. Morton), London.
GOODSTON, M. L. (B. Graham), London.
GOODWIN, L. J. (J. P. Moll), London.
GORMAN, T. (N. G. Reeves), London.
GOTHARD, R. (A. J. Phelan), Manchester.
GREEN, D. J. (H. Topham), Manchester.
GREENSHIELDS, R. E. (A. J. Wilson), London.
GREENWOOD, D. W. (W. T. Bell), Manchester.
GREGORY, W. G. (J. R. C. Weber), Cardiff.
GRIFFITHS, D. H. C. (L. J. Osmond), London.
GRINDELL, P. N. (K. L. Young), London.
GROVE, P. H. (R. R. Coomber), London.
GROVE, T. J. (E. T. Peckham), London.
GUEST, D. T. (B. J. Flint), Wolverhampton.
GWYTHER, H. (B. P. Gwyther), Cardiff.

HAIGH, B. (formerly with J. Burgess, deceased), Stockport.
HALE, P. (E. H. Brown), London.
HALL, D. N. (K. A. Buxton), Nottingham.
HAMILTON, K. G. E. (F. J. Braybrooks), London.
HAQQANI, S. A. H. (H. W. Franklin), London.
HARDING, K. A. (D. F. D. Cartwright), Brighton.
HARPER, P. J. (O. Furnival-Jones), London.
HARRIS, G. (E. J. Rogers), London (*William Quilter Prize and the Plender Prize for the Auditing paper*).
HARRISON, C. J. (E. T. Shepherd), Cardiff.
HARRISON, J. (G. H. Murray), Manchester.
HART, A. (H. Percival), Manchester.
HATTON, T. (F. Booth), Cheadle.
HAYES, B. G. (D. H. M. Jones), London.
HEATH, A. W. W. (L. C. Simpson), Leicester.
HEATH, J. C. (J. W. D. Marshall), London.
HELLIWELL, J. W. E. (P. B. Settle), Colne.
HENDERSON, I. R. (W. J. Brereton), London.
HEWITT, J. H. (R. T. Walters), London.
HEXTER, D. E. (A. S. Kennard), Newton Abbot.
HEYWORTH, M. C. (J. M. Harrison), Liverpool.
HIGHTON, D. (C. H. Sharp), Oldham.
HINE, J. S. (C. A. Haslam), Nottingham.
HOHNEN, D. L. (P. T. Comber), London.
HOLLAND, W. H. (C. M. Strachan), Hull.
HOLLWAY, I. W. (C. Boase), Liverpool.
HOLMES, D. G. (W. C. Morgan), Plymouth.
HOPE, G. M. (L. W. Crowther), Bolton.
HOPWOOD, G. L. (C. J. Stobbs), Wellington, Shropshire.
HORNE, D. O. (C. G. Brown), London.
HORNER, D. S. (J. L. Mawhood), London.
HOUNSELL, N. (M. W. Burrough), Bridport.
HOWELL, A. J. (G. M. Bickerton), Manchester.
HUGHES, A. R. (J. V. Eastwood), Manchester.
HUGHES, D. J. (R. B. T. Castle), London.
HUNT, R. W. (R. Burman), Birmingham.
HUNTER, J. C. (G. Stoughton-Harris), London.
HUNTON, M. J. T. (J. M. Harvey), Liverpool.
HUTCHINSON, J. F. (R. G. Clayton), London.
HYDE, K. (R. S. Wilkinson), Stoke-on-Trent.

INGLEBY, D. (G. H. Eaves), Manchester.
INNES, C. A. (J. V. F. Crowther), London.
INNS, D. G. (L. W. Gatenby), London.

JACKSON, M. R. A. (E. Royce), Manchester.
JACQUIER, M. J. P. (G. W. Burgess), London.
JAFFE, R. (A. Goodman), London.
JARVIS, D. R. (M. Garvin), London.
JAWETT, B. A. (H. C. Rudolf), London.
JEACOCK, D. G. (C. M. Holland), Birmingham.
JEFFERIES, P. C. (W. E. Fitzhugh), London.
JENKINS, G. A. L. (T. A. Furse), Birmingham.
JESTY, D. V. (B. Franklin), London.
JOHNSON, D. (F. Neatham), Warrington.
JOHNSON, K. W. (L. J. Culshaw), London.
JOINER, K. G. (L. C. Mayer-Nixson), London.
JONES, A. P. B. (C. W. Griffin), Cardiff.
JONES, D. L. (H. Kidson), London.
JONES, M. E. G. (A. N. Hargreaves), London.
JONES, T. G. L. (M. A. Citroën), London.
JOY, R. (L. Hodgkinson), Bradford.

KAY, R. H. (P. F. Cansdale), London.
KEAST, K. J. (H. K. G. Martyn), Truro.
KEELE, S. C. K. (J. K. Black), London.
KELLER, R. H. (H. G. Blank), London.
KELLY, J. F. (J. Forsyth), Sunderland.
KEMP, B. A. (M. E. Hatch), London.
KENDALL, T. J. (D. L. Evans), London.
KENT, J. B. (C. C. H. Burnage), London.
KEY, C. J. (R. M. Ealand), Bath.
KIDD, R. A. G. (F. Pragnell), Nottingham.
KILNER, T. A. A. (formerly with B. C. Gain, deceased), London.

LABREY, J. G. (J. A. Taylor), Hyde.
LANCHBURY, K. (N. B. Wallis), Nottingham.
LANGDALE, R. G. (R. L. Jones), London.
LANGDON, M. H. (J. M. Walker), London.
LARGE, D. J. (D. H. Barnes), Norwich.
LATTEY, D. B. T. (W. E. Parker), London.
LAURIE, D. L. (A. J. Glass), Liverpool.
LAWLER, M. R. (G. F. Schofield), Manchester.
LAWRIE, R. I. B. (D. E. Ryland), London.
LEITCH, A. W. (J. Wilson), Middlesbrough.
LEITCH, P. W. (J. L. Merchant), London.
LEON, W. R. E. H. (E. S. D. Bavin), London.
LEVERITT, I. R. (P. E. Littlemore), Manchester.
LEWIS, R. L. E. (R. F. George), London.
LIGHTOWLER, D. A. (K. S. Peirson), Coventry.
LIMMER, G. J. (P. W. Beale), Worthing.
LINDESAY, J. L. (A. E. Smith), Winchester.
LINDSAY, I. G. (H. W. C. Airey), London.
LINSCOTT, G. A. (W. R. Middleton), London.
LITTLEWOOD, J. (J. Jackson), Leigh, Lancs.
LIVINGSTONE, J. W. (G. F. Ansell), London.
LLOYD, D. E. (G. E. Cartwright), London.
LLOYD, J. D. (F. Crosland), Huddersfield.
LOCKETT, D. C. (J. G. Sankey), Manchester.
LOCKHART, J. (C. M. Duncan), London.
LOCKSLEY, F. W. W. (D. de G. Walford), Stockton-on-Tees.
LOUDEN, K. (R. Walton), Leeds.
LOVETT, B. E. (J. C. Littlejohns), London.
LYON-MARIS, P. D. (G. L. Fox), London.

McBRIDE, D. (H. Titterton), Stockport.
McCALLUM, W. J. (G. G. Potier), London.
McCLEERY, R. M. (G. P. Shepherd), London.
McCLELLAND, M. T. F. (H. Holt), Manchester.
McCOLL, I. R. (W. A. Hand), London.
McDONALD, J. (J. M. Hough), Newcastle upon Tyne.
McDOUGALL, B. (G. H. C. Stanley), Birmingham.
McGAHAN, (Miss) P. (M. G. D. Johnson), Sunderland.
McGILVRAY, R. H. (A. Jolly), Hove.
McGREGOR, D. J. (W. E. Carnelley), London.
McNAIR, J. (J. Heaford), London.
MAGEE, L. F. (R. H. Jenkins), London.
MALYON, R. C. (S. A. Letts), London.
MANN, R. D. (W. H. Land), London.

SUMMARY OF RESULTS

	Final	Intermediate	Preliminary	Total
Candidates successful ..	499	626	37	1,162
Candidates failed	583	694	75	1,352
Candidates sat	1,082	1,320	112	2,514

MANNING, M. L. (S. Freeman), London.
MARCHANT, L. P. (R. Kandler), London.
MARRIOTT, P. (R. W. Atkin), Sheffield.
MARTIN, I. D. (K. C. Pollock), Rochester.
MARTIN, I. D. (F. Holt), London.
MARTIN, M. H. (H. A. Sisson), Newcastle upon Tyne.
MARTYN, F. (S. Conway), London.
MAY, C. G. D. (C. A. Harrap), Eastbourne.
MAYHEW-SANDERS, J. R. (J. Mayhew-Sanders), London.
MELBOURNE, M. (V. L. Passer), London.
MELECH, N. (J. J. Lopian), Manchester.
MERRETT, A. J. (R. H. Coath), Cardiff.
MESSIAS, D. (S. S. Gluck), London.
MILES, L. C. (E. G. Mathias), Tavistock.
MILLICHAMP, A. H. (R. Gronow), Wolverhampton.
MITCHELL, D. F. (R. H. Ford), Maidstone.
MODI, J. R. (L. J. W. Gould), London.
MONTGOMERY, A. G. C. (William Cash), London.
MORRIS, M. S. (J. Altman), London.
MORRIS, R. J. (W. W. Mortimer), London.
MOSS, M. (L. Scott), London.
MOUNTER, J. E. (L. M. Biggs), Guildford.
MURPHY, B. (K. A. Millichap), Manchester.
MURRIN, G. (K. Spoor), Newcastle upon Tyne.
MYERS, R. A. (C. N. Smellie), London.

NASH, C. C. (W. I. B. Trott), London.
NAYLOR, K. (A. E. Thebridge), Birmingham.
NEATE, W. R. (H. A. Snelling), London.
NELSON, D. E. (J. W. Stirrup), Preston.
NEUMANN, B. W. (B. E. Pearcy), London.
NEWMAN, D. A. W. (D. G. Weston), London.
NEWMAN, D. C. (W. A. White), London.
NICHOLSON, M. B. (V. Walton), Leeds.
NICOLLE, A. W. H. (F. Avison), Oldham.
NOBLE, F. A. (R. C. de Zouche), Liverpool.
NOBLE, J. A. (R. K. Briscoe), London.
NORTH, D. J. (C. D. North), Batley.
NUTT, J. A. (H. C. Medlam), London.
NUTTALL, G. E. (F. W. Knowles), Cleveleys.
NYMAN, I. (E. N. Jacobs), London.

O'DONNELL, A. (F. J. Cook), Liverpool.
OGDEN, L. (J. B. P. Williamson), London.
OWERS, R. (N. D. Grundy), London.

PACKER, W. A. (V. L. Bell), London.
PAGE, M. L. (R. R. Dewing), Norwich.
PAINTING, M. J. (J. M. Freeman), Newbury.
*PARKER, C. D. (G. W. Wood), Battle.
PARKER, R. H. (G. C. Ames), London.
PARRIS, J. (E. D. Basden), London.
PARSONS, D. N. (R. A. Williams), Monmouth.
PARSONS, H. L. (G. S. Brunning), London.
PATTERSON, J. R. S. (G. Woolfe), Manchester.
PAYNE, K. E. (K. Johnson), Leicester.
PAYNTER, P. J. (S. W. Penwill), London.
PEARL, B. I. (R. G. W. Pengelly), Plymouth.
PEARSON, R. H. (A. E. Shaw), Norwich.
PENDRED, M. G. B. (S. G. Sillem), London.
PEPPERALL, B. R. (A. C. Unthank), London.
PIKE, R. G. (C. I. S. Chappell), Bournemouth.
PIMLOTT, K. G. (G. T. Bridge), Manchester.
PINS, M. A. (A. R. Avens), Portsmouth.
POYNER, D. W. (F. R. Dixon), London.
PRATT, A. P. (N. B. Hart), Brigg.
PRICE, A. K. (T. G. Harding), London.
PROCTOR, G. (S. N. Groves), Newcastle upon Tyne.
PULLEY, B. R. (E. J. Nettle), Birmingham.
PURSGLOVE, D. W. (A. M. Bentley), Bradford.
PYNE, R. P. (V. B. Mitchelmore), West Wickham.

QAISER, F. (S. A. Fabes), London.

RABIN, A. L. (Wallace Cash), London.
RAFTERY, P. J. (G. E. S. Twist), Birmingham.
RAMPTON, J. (S. Morris), Reading.
*RATHBONE, S. D. (K. H. Fisher), London.
RAWCLIFFE, K. (A. J. Fullerton), Leeds.
RAWLINGS, R. I. (G. H. Heaton), Birmingham.
REILLY, P. L. (R. G. Fox), Southampton.
RENTON, R. J. D. (C. Luxton), Bradford.
RICE, G. W. (G. Ford), Bournemouth.
RICHARDS, P. E. (W. E. Ogden), London.
RICHARDSON, B. E. (I. V. Cummings), Romford.
RICHARDSON, E. J. (H. J. Hoby), Rochester.
RICKMAN, L. (P. Fisher), London.
RIDGE, M. J. (J. P. Southwell), London.
RIDGE, (Miss) M. M. (E. D. Miller), London.
RIORDAN, J. I. K. (N. A. Wiseman), London.
RIPPINGTON, E. F. (V. A. Tudball), London.
RIX, G. P. (R. H. Clements), London.
ROBINSON, D. E. (T. A. Morton), London.
ROBSON, A. L. (E. B. Evans), London.
ROBSON, A. P. (G. L. Couch), Uxbridge.
ROSENTHAL, S. N. (P. A. Lewis), Manchester.
ROTH, B. J. (C. Fenton), London.
ROUSE, R. M. (O. Furnival-Jones), London.
ROWE, B. (B. Rowe), Pontypridd.

SAKUNTABHAI, (Miss) P. (F. A. Bailey), Manchester.
SAPSWORTH, M. L. (H. C. Cussons), Liverpool.
SAVILL, R. S. (F. G. F. Drake), Bridgwater.
SAVORY, J. R. (B. Franklin), London.
SCRUBY, B. T. R. (A. W. Dalling), Brighton.
SEATON, P. (R. Piercy), Birmingham.
SECKER, C. P. (A. G. Elmslie), Huddersfield.
SHANNON, M. J. (H. W. Bagge), London.
SHARRON, W. (A. Beckman), London.
SHAW, F. M. (H. Chapman), Rotherham.
SHAW, P. G. (E. P. Taylor), Liverpool.
SHEDEL, B. E. (E. O. Frank), London.
SHELDON, D. (R. Massey), Wolverhampton.
SHERRINGTON, H. D. (N. Woolley), Manchester (*Plender Prize for the English Law (Part II) paper*).
SHERWOOD, K. A. (S. F. Nash), London (*The Frederick Whinney Prize and the Plender Prize for the Advanced Accounting (Part I) paper*).
SHIPLEY, R. J. (H. G. Gray), Nottingham.
SIDBURY, D. J. (H. Peat), London.
SILBURN, J. C. (F. Goodchild), Ipswich.
SIMISTER, A. G. (J. R. Haygarth), Leeds.
SIMLER, G. J. (A. Jacobs), London.
SIMMONDS, D. A. (G. S. Simmonds), Teddington.
SIMPSON, R. D. (H. B. C. Smith), London.
SINGH, R. (C. B. Umney), London.
SINNADURAI, V. (H. P. Board), Cambridge.
SKEAT, M. J. (J. C. Hardy), London.
*SLATER, D. J. H. (H. K. Campbell), Bristol.
SMITH, A. F. (E. T. Hale), London.
SMITH, B. E. (E. C. Tydeman), Croydon.
SMITH, G. H. (F. W. Etchells), Huddersfield.
SMITH, K. C. (H. P. Jones), Liverpool.
SOUTH, P. J. (S. N. Elgar), London.
SPEIRS, A. B. (W. Saxelby), London.
STANLEY, B. R. (L. R. Treen), London.
STANLEY, E. W. (E. R. Seymour), High Wycombe.
STARK, W. J. (C. J. Barlow), Liverpool.
STEED, A. J. (B. P. Hegarty), London.
STENHAM, A. W. P. (E. D. McMillan), London.
STEWART, C. J. (F. B. Proctor), London.
STIMPSON, J. M. (A. E. Limehouse), Rugby.
STURGESS, B. E. (formerly with T. A. Ryder, deceased), London.
SUGDEN, R. (R. F. E. Asquith), Leeds.
SULZBACHER, M. (N. C. R. Nash), London.
SUTHERS, G. (C. Whitehead), Manchester.

TAYLOR, B. T. (O. Evans), Blackpool.
TAYLOR, D. M. (J. S. Lake), London.
TAYLOR, S. K. B. (G. R. Lucraft), Brighton.
TAYLOR, S. R. (G. S. Beesly), London.
TEARLE, J. G. (A. R. Hills), Leighton Buzzard.
THOMAS, A. R. (P. A. Bayliss), London.
THOMAS, G. D. (W. H. Parton), London.
THOMAS, K. M. (A. G. Thomas), Sheffield.
THOMAS, K. S. (R. Phelps), Bristol.
THOMPSON, A. C. (S. M. Caldwell), Liverpool.
THOMPSON, H. R. P. (W. P. L. Chappell), Bournemouth.
THORNTON, R. D. (S. Thornton), Preston.
THURSTANS, K. J. (G. R. Dawes), Birmingham.
TINKLER, T. N. (P. E. Thain), King's Lynn.
TOD, A. N. (K. H. Mackenzie), Liverpool.
TODD, G. E. (H. A. Benson), London.
TOMBS, B. J. (D. H. E. Kahn), London.
TOOMS, D. R. (F. St. J. North), London.
TOPEROFF, (Miss) F. J. (T. K. Allan), Newcastle upon Tyne.
TRAPNELL, A. R. (P. S. Cooper), Liverpool.
TREANOR, J. D. S. (D. R. B. Smith), London.
TRUMAN, H. E. (S. J. E. Truman), London.
TURNER, M. S. V. (P. G. Corbett), London.
TURNER, P. G. A. (J. R. Riddell), Shrewsbury.

VAN DER BORGH, J. (J. E. Barris), London.
VAUGHAN, D. B. (W. I. B. Trott), London.
VOIGHTS, A. K. (E. S. D. Bavin), London.
*VOKINS, T. W. D. (A. Jolly), Hove.
VYVYAN, A. B. (T. A. H. Baynes), Birmingham.

WADDINGTON, B. (T. S. Rawlinson), Bradford.
WADDINGTON, C. D. (I. H. Sharpe), Ilkley.
WALKER, J. F. (C. A. Duncan), Leicester.
WALTER, G. J. (R. S. Wilkinson), Stoke-on-Trent.
WARD, J. R. (D. P. Briggs), Middlesbrough.
WATKINS, T. J. (W. E. Little), Ross-on-Wye.
WATSON, G. T. (D. B. Ward), Middlesbrough.
WAXMAN, A. (C. Cantor), London.
WEBB, A. J. (C. B. Princep), Wolverhampton.
WEBB, (Miss) D. (K. J. Salter), Bognor Regis.
WEBB, T. G. (P. D. Webb), Manchester.
WEBSTER, A. J. (C. A. Hunter), St. Helens.
WEERAMANTHRI, K. (M. A. Citroën), London.
WELLER, R. (S. B. Jackson), Birmingham.
WELLS, A. A. (T. J. Newman), London.
WELLS, G. H. A. (H. Denner), Blackpool.
WESTALL, A. J. (W. Westall), Morecambe and Heysham.
WESTERN, M. I. (J. N. Bancroft), London.
WHARRIE, D. M. (R. Plummer), London.
WHEELER, R. T. (A. V. Page), London.
WHYATT, L. B. (J. F. Kinnersley), Bristol.
WICKRAMASINGHE, L. S. I. (R. G. Pye), London.
WIJAYASURIYA, P. M. W. (H. Norman), London.
WILKINSON, J. P. (J. C. Luckin), Chelmsford.
WILKINSON, M. S. (J. J. Baker), London.
WILLCOX, E. J. (W. T. Horsfall), Liverpool.
WILLIAMS, C. (A. E. Lacon), Wolverhampton.
WILLIAMS, D. N. (J. T. Lewis), Birmingham.
WINCH, M. A. (C. C. L. Randall), London.
WINN, R. (A. H. Walker), Liverpool.
WISEMAN, J. M. (E. J. Stone), London.
WOLF, A. C. (K. J. Hilton), South Shields.
WOOD, J. H. (N. W. Bell), Darlington.
WOODFINE, N. G. (R. Mould-Graham), Newcastle upon Tyne.
WOOLF, H. E. (I. M. Woolf), London.
WOOLF, P. J. (K. F. Paine), London.
WRATTEN, D. A. (C. H. Smith), London.
WRIGHT, J. L. (M. G. Bain), Grimsby.
WRIGHTSON, J. C. (G. D. Weir), Sunderland.
WRIGLEY, J. G. (W. Forshaw), Manchester.

YOUD, B. M. F. (F. L. Webb), London.
YOUNG, J. M. (A. E. Norfolk), Hull.

449 Candidates passed.
583 Candidates failed.

O. C. Railton Prize for the year 1957:
LIVERSIDGE, J. (Leeds) (May 1957 examination).

INTERMEDIATE EXAMINATION

Held on November 19, 20, and 21, 1957.

Certificates of Merit with Prizes awarded

First Certificate of Merit, the Institute Prize, the Stephens Prize, the Frederick Whinney Prize and the Plender Prizes for Book-keeping and Accounts (Partnership) and Book-keeping and Accounts (Executorship) paper:
NG, W. K. (F. S. Young), London.

Second Certificate of Merit, the Tom Walton Prize and the Plender Prize for the Book-keeping and Accounts (Limited Companies) paper:
YALE, (Miss) M. A. (T. Taylor), Llandudno.

Third Certificate of Merit and the Flight Lieutenant Dudley Hewitt, D.F.C. Prize:
CARSBERG, B. V. (C. A. Chapman), London.

Fourth Certificate of Merit:
WILLINGS, M. R. T. (E. Caldwell), London.

Fifth Certificate of Merit and the Plender Prize for the Taxation and Cost Accounting paper:
GOLD, (Miss) J. I. (M. Fox), London.

Sixth Certificate of Merit, equal, and the Plender Prize for the Auditing paper:
BROCKINGTON, C. (J. A. Heacock), Birmingham.

Sixth Certificate of Merit, equal:
LEVY, E. G. (D. F. L. Cooke), London.

Eighth Certificate of Merit:
BLACKBURN, M. (H. Robinson), Norwich.

Ninth Certificate of Merit, equal:
NICHOLSON, A. V. (P. A. Aldrich), London.

Ninth Certificate of Merit, equal:
NORTHAM, (Miss) P. L. (C. Romer-Lee), London.

Eleventh Certificate of Merit:
FORBES, D. T. (R. W. Foster), Chesterfield.

Twelfth Certificate of Merit:
SMITH, A. M. (H. J. Gittings), Cheltenham.

Thirteenth Certificate of Merit:
DAVIES, R. W. (S. A. Common), Newport, Mon.

Fourteenth Certificate of Merit:
SALEEM, S. (C. Romer-Lee), London.

Fifteenth Certificate of Merit, equal:
SLOWE, R. L. (H. Arbeid), London.

Fifteenth Certificate of Merit, equal:
SMITH, R. C. (J. H. Banfield), London.

Seventeenth Certificate of Merit:
GROOCOCK, T. C. (A. M. Williams), Swansea.

Eighteenth Certificate of Merit, equal:
GLENN, M. (R. S. Ford), London.

Eighteenth Certificate of Merit, equal:
ROSE, J. W. (L. H. Mitchell), London.

Twentieth Certificate of Merit:
MILLER, J. A. (W. E. Parker), London.

Full List of Names of Successful Candidates
(in alphabetical order)

ABBOTT, D. V. (J. M. Dinwoodie), Newbury.
AHMAD, K. (B. Susman), London.
AIKEN, D. L. (M. Wheatley Jones), Manchester.
ALDRIDGE, J. (L. C. Harman), London.
ALLEN, B. (H. E. W. Hinde), Darlington.
ALLES, F. L. C. (W. G. K. Ames), Newbury.
ALTON, A. G. R. (F. H. Richardson), Derby.
ANDREW, J. P. H. (R. Stokoe), Whitehaven.
ANDREWS, M. J. (L. W. Bingham), London.
ANNETT, P. (J. B. Dunford), Newcastle upon Tyne.
ARMITAGE, M. J. (A. J. P. Smith), London.
ASHBY, A. J. (H. D. Milroy), Southend-on-Sea.
ASHBY, S. J. (M. C. Holmes), Eastbourne.
ASKEW, (Miss) H. (E. Watts), London.
ASPINWALL, R. S. (C. H. March), Cardiff.
ATKINSON, G. D. (J. L. Wannan), London.
ATKINSON, R. W. (J. W. Hawkins), Normanton.
AUBREY, H. H. J. (J. Bennett), Ross-on-Wye.
AUSTIN, B. W. (E. H. Grant), Leicester.
AVIBROOKE, J. W. (S. Rodin), London.

BACON, R. M. (K. S. Moore), London.
BAIRD, C. W. G. (T. R. T. Bucknill), London.
BAKER, A. H. (W. E. Johnson), London.
BAKER, J. W. (J. J. Baker), London.
BARKER, G. E. A. (W. G. Densem), London.
BARKER, T. (J. Allured), Manchester.
BARRATT, E. G. (K. J. Lunnon), High Wycombe.
BARRY, T. D. (M. W. H. Lancaster), London.
BATEMAN, P. S. (H. C. Kelley), Birmingham.
BATTEN, N. H. (K. G. Lyon), Liverpool.
BATTY, C. J. (R. F. Gibson), Launceston.
BAYNE, M. D. (W. E. Carnelley), London.
BEARMAN, G. W. (E. R. Hyett), London.
BEER, T. J. (H. Lofthouse), Keighley.
BENNETT, G. D. (E. B. Orr), London.
BERRY, D. C. (J. M. Selby), London.
BERRY, J. A. (A. Harringman), London.
BETESH, D. J. (I. M. Morris), Manchester.
BIRD, R. L. (R. Fawcett), London.
BISHOP, D. J. (W. G. C. Oliver), Burton-on-Trent.
BISHOP, (Miss) J. M. (A. P. L. James), Chepstow.
*BLACKBURN, M. (H. Robinson), Norwich.
BLAKE, M. J. (W. C. F. Blakey), Newcastle upon Tyne.
BLAXTER, D. (L. C. Pegley), London.
BLUMENTHAL, L. (J. M. E. King), Manchester.
BOATMAN, B. R. (R. S. Andrews), London.
BODEN, J. D. (A. Bleazard), Blackpool.
BOLTON, J. D. (A. D. Walker), Liverpool.
BOUD, D. W. G. (R. A. Barter), London.
BOWDEN, W. L. (A. Neil), Manchester.
BRADING, L. W. (D. J. Kean), London.
BRADMAN, G. M. (C. Fine), London.
BRADSHAW, E. (W. J. Berry), Manchester.
BRAID, M. (M. M. Wallworth), Stockport.
BRAMLEY, B. D. (K. C. Cook), Liverpool.
BRESNARK, L. (V. S. Craig), London.
BRISON, J. A. (R. Heatherington), Newcastle upon Tyne.
BROADBENT, B. W. (H. B. Clarke), Manchester.
*BROCKINGTON, C. (J. A. Heacock), Birmingham.
BRODERICK, D. J. (F. H. Walsh), Burnley.
BROWN, D. R. (J. A. Colvin), Liverpool.
BROWN, L. (S. Darwell), Blackpool.
BROWN, M. (C. Fisher), London.
BROWNING, W. G. (W. E. Thompson), Manchester.
BRYANT, P. D. (W. Y. Thomson), London.
BUCHAN, K. B. (J. O. Elphick), London.
BUCKLEY, A. J. H. (P. R. N. Stewart), Nottingham.
BUCKLEY, C. N. (H. S. Widgery), Hereford.
BURROWS, G. E. C. (S. E. Graves), Brighton.
BUSH, J. G. (E. K. Wright), London.
BUSHELL, C. A. (C. J. Barlow), Liverpool.
BUTCHER, (Miss) J. M. (R. D. Owen), Bath.

CADMAN, P. H. B. (B. H. Larkins), Birmingham.
CAMERON, A. J. (J. W. G. Mitchell), Bradford.
CAMERON, (Miss) E. M. (R. C. Deith), London.
CARPENTER, D. R. (K. S. Withers), Manchester.
*CARSBERG, B. V. (C. A. Chapman), London.
CASSTLES, J. W. (F. W. English), London.
CAVE, J. H. (M. S. Ell), Henley-on-Thames.
CECIL-WRIGHT, J. A. (E. P. Q. Carter), Birmingham.

* See also Certificates of Merit above.

CEENEY, M. E. (J. S. Weyman), London.
CHADWICK, P. I. (W. Whinnerah), Liverpool.
CHAPMAN, T. D. (S. Parkinson), Leicester.
CHAPPLE, B. G. (W. A. Byars), London.
CHISHOLM, D. A. (T. M. Pragnell), Nottingham.
CHITTY, J. (T. Haworth), London.
CLARKE, J. E. (E. J. H. Clarke), London.
CLAY, R. P. S. (R. W. Allott), Worksop.
CLAYTON, E. H. (R. G. Wood), Bradford.
CLEMONS, G. R. H. (L. B. Eagle), Leeds.
COBLEY, B. A. (J. K. Burton), Leicester.
COLES, (Miss) B. E. (J. C. Hounsfield), London.
COLLEY, A. R. (R. H. Passmore), Torquay.
COLLINS, P. G. (D. G. Langford), Newport, Mon.
COMLEY, B. B. (K. B. Jefferies), Cardiff.
CONYERS, B. (W. S. Harrison), Dewsbury.
COOCH, M. J. A. (N. G. Bascombe), Bristol.
COOK, J. F. (K. R. Colman), London.
COOPER, J. M. P. (W. Holman), London.
CORRIN, J. R. (J. C. Davies), Wrexham.
COULSON, J. P. (S. Barlow), Manchester.
COUPE, W. J. (J. H. Jackson), Leigh.
COUSE, P. E. (H. B. Cookson), Birmingham.
COUZENS, H. (R. D. C. Webb), London.
COWLISHAW, A. R. (L. Shaw), Manchester.
COX, T. (W. Wetton), Manchester.
CRANE, P. A. (G. D. Vicary), London.
CRAWLEY, D. C. (W. H. Gillings), Southend-on-Sea.
CREGEEN, E. R. (C. Boase), Liverpool.
CRISPE, R. N. (D. A. Clarke), London.
CRONIN, G. F. (J. T. Finnis), London.
CROOMBE, B. J. (C. S. Shaw), Birmingham.
CROPP, H. R. (A. P. Humphries), London.
CROUDSON, R. (W. Denham), Leeds.
CUSHNIR, A. M. (P. Newman), London.

DALZIEL, C. R. (H. H. Kilvington), West Hartlepool.
DANIEL, R. C. (K. Hughes), Cardiff.
DARBY, M. D. (C. G. Keys), Birmingham.
DAVEY, J. S. (A. A. F. Redwood), Bristol.
DAVIDSON, T. J. (E. B. Orr), London.
DAVIES, A. M. (M. R. Harris), London.
DAVIES, B. S. J. (E. M. D. Jones), London.
DAVIES, D. A. (N. T. Cox), London.
DAVIES, J. H. (G. Waterworth), Blackburn.
DAVIES, R. W. (D. H. Peed), London.
*DAVIES, R. W. (S. A. Common), Newport, Mon.
DAVIS, B. (M. Gordon), London.
DAVIS, J. H. (S. Lever), London.
DAVIS, T. C. P. (D. G. T. Crabbe), Birmingham.
DAWSON, M. G. (C. J. K. Boyce), Guildford.
DAWSON, W. B. (H. F. Dauncey), London.
DEACON, R. W. (Sir N. E. Waterhouse), London.
DENNETT, J. G. (G. P. Shepherd), London.
DIVIANI, M. (C. G. Sparrow), Stockton-on-Tees.
DONOVAN, M. K. (E. G. Clegg), Manchester.
DOUGILL, H. T. (J. M. Galt), Darlington.
DOUGLAS, C. E. (M. G. Crawford), Leeds.
DRAYSON, D. G. (H. C. Smith), London.
DREW, G. C. (H. A. Benson), London.
DUNN, J. E. S. (F. L. Mouldine), Sheffield.
DUNN, R. S. (A. B. Wallis), Newcastle upon Tyne.
DUNNING, S. (A. H. Marsden), Bristol.
DUTTA, A. (A. G. Hill), London.

EDDLESTON, C. T. (J. Stansfield), Colne.
EDISBURY, B. A. (H. Tunstall), Manchester.
EDKINS, G. J. (W. G. Frazer), London.
EKINS, E. W. (T. M. D. Robertshaw), Eastbourne.
ELLIOTT, (Miss), S. (P. H. Blandy), Nottingham.
ELLIS, J. H. (E. E. Wilding), London.

ELSOM, J. M. (C. A. Smith), Loughborough.
ENGLAND, J. C. (G. E. Lister), Huddersfield.
EVANS, J. T. (R. Gibb), Swansea.
EVANS, L. G. (D. A. Tomlinson), Dursley.
EVANS, M. (F. O. M. Smith), London.
EVANS, P. G. (P. Ewen), London.
EVANS, S. N. P. (I. G. Miller), Cardiff.
EVENDEN, I. S. (A. C. Croft), Hull.

FAIRHURST, D. J. (J. D. Tyrer), Wigan.
FARROW, F. C. (R. C. Copeman), Hull.
FAULKNER, J. A. (W. H. Blaxland), London.
FAWCUS, D. S. (B. M. Till), London.
FEARN, J. D. (A. N. Mills), Matlock.
FEE, A. J. (J. O. Knight), Nottingham.
FELDMAN, H. L. (J. H. Senior), London.
FELDMAN, P. R. (B. Rose), London.
FELTON, A. P. (A. E. Burton), London.
FENWICK, M. J. (F. C. Hoyle), Manchester.
FERGUSON, F. (W. S. Wicks), Liverpool.
FERGUSON, G. T. (M. J. Prince), Bournemouth.
FERGUSSON, J. A. (L. B. Eagle), Leeds.
FERMER, G. J. (F. K. Berry), Maidstone.
FERNIHOUGH, C. B. (H. G. Ash), London.
FIELD, B. J. (B. L. Hemsley), Brighton.
FIELD, P. R. (I. Cedar), London.
FIELD, R. S. (G. E. A. Bendall), Birmingham.
FIELDHOUSE, R. (J. W. A. Wilkinson), Lancaster.
FINE, A. G. (B. P. Gwyther), Cardiff.
FITCHETT, K. G. W. (C. O. Crew), Birmingham.
FLETCHER, A. J. (H. W. Gray), Oxford.
FLETCHER, D. R. (W. H. M. Isle), Bradford.
FLETCHER, G. (T. S. Fletcher), Salisbury.
FLETCHER, J. M. (L. W. Gatenby), London.
FLETCHER, J. R. (R. W. Cooke), Sutton Coldfield.
FOCKE, R. A. A. (E. R. Hogg), London.
*FORBES, D. T. (R. W. Foster), Chesterfield.
FORSTER, R. E. (F. Haslam), Warrington.
FOUNTAIN, M. J. (M. S. Barker), London.
FRAME, D. W. (S. W. C. Sprunt), London.
FRANK, C. M. (L. B. Wright), London.
FRASFR, R. W. (S. W. Becker-Jones), London.
FREER, E. F. (P. F. Carpenter), London.
FROGGATT, (Miss) R. G. (C. P. Twemlow), Crewe.
FRYER, G. H. (E. Bostock), London.

GALLETLY, J. M. (R. Philp), London.
GAUNT, B. M. (A. I. Todman), London.
GEAREY, J. M. (E. F. Tattersall), London.
GEORGE, D. F. M. (F. Coates), Burnley.
GIBBS, D. C. (A. F. W. Keep), Reading.
GILBERT, R. C. (S. M. Duncan), London.
GILBEY, A. (W. H. Shears), London.
GILLOTT, A. H. (N. H. Stubbs), London.
*GLENN, M. (R. S. Ford), London.
*GOLD, (Miss) J. I. (M. Fox), London.
GOLDBERG, H. (S. Berg), Southend-on-Sea.
GOLDSMITH, W. K. (A. D. Wykes), London.
GOLDSWORTHY, E. V. (F. W. Barnes), London.
GORDON, S. (C. A. Chapman), London.
GORTON, F. (A. Hirst), Blackburn.
GORTON, J. S. (B. MacIldowie), Manchester.
GOSWAMI, A. (R. Garner), Twickenham.
GRAHAM, A. J. M. (D. W. Robertson), London.
GRAND, S. (K. J. Dessauer), London.
GRAVELIUS, A. J. (P. H. Tyack), London.
GRAY, P. G. W. (R. L. Owen), Bristol.
GREEN, B. R. (R. M. Filer), London.
GREEN, G. (J. Hockman), London.
GREEN, N. T. (W. F. Gallaway), Manchester.
GREENHALGH, W. M. (N. W. Murray), London.
GREGORY, R. A. (G. E. Mobbs), Northampton.
*GROOCOCK, T. C. (A. M. Williams), Swansea.
GRUHN, E. P. J. (A. E. H. Benard), London.
GRUSELLE, M. H. (A. J. Wheeler), Exeter.
GUEST, S. C. (C. J. C. Tildesley), Wolverhampton.
GUTTERIDGE, R. N. (R. H. Jenkins), London.

HAIG, G. D. (D. Oakes), Liverpool.
HALL, J. D. (I. C. Storey), South Shields.
HALL, J. H. (R. R. Pickering), London.
HALLAM, G. W. (W. G. Fox), Leicester.
HAMPTON, H. W. (A. L. Blower), Wolverhampton.
HANSON, J. (H. Riley), Halifax.
HARBOUR, R. J. (H. A. Hutchins), London.
HARRIS, J. R. (G. R. Fry), London.
HARRISON, J. R. (R. Smith), Leeds.
HARRISON, T. F. G. (R. A. Duthie), Carlisle.
HART, R. J. M. (J. B. Nicholson), High Wycombe.
HARVEY, P. C. O. (C. L. Woolveridge), London.
HAWKINS, R. A. G. (W. M. H. Nash), Weston-super-Mare.
HAYWARD, A. D. (F. H. G. Tompkins), London.
HEALEY, D. E. (R. E. Herington), Birmingham.
HENDERSON, J. E. (J. N. Bullivant), Manchester.
HERBERT, B. C. (E. D. Miller), London.
HERRING, D. (E. J. Wright), Manchester.
HEW, G. W. (H. G. C. Haering), London.
HEWITT, B. M. (A. Ellison), Liverpool.
HIBBS, D. L. (J. Camamile), Lincoln.
HICKS, A. W. (N. Green), Sudbury.
HIGGENS, A. C. E (A. P. W. Simon), London.
HILL, S. (R. Barnes), Manchester.
HITCHENOR, W. D. (D. W. Hobbs), Bradford.
HODGKINSON, B. J. (G. C. F. Shackleford), London.
HOLIDAY, G. R. (H. A. Astbury), London.
HOLLAND, C. G. (R. Law), Liverpool.
HOLLINGWORTH, A. P. (J. A. Hill), London.
HOLYOAK, A. M. (D. S. Evason), Shrewsbury.
HOOKINS, P. M. (L. D. Morse), London.
HOOPER, J. C. M. (E. F. G. Nettleton), Bradford.
HOPKINS, R. D. (L. P. Gibbs), London.
HORN, P. J. (A. Gregg), Manchester.
HORTON, D. (M. E. Askwith), London.
HOSIER, D. J. (M. H. C. Tarrant), London.
HOWARD, D. J. (F. E. Antill), London.
HOWARD, G. A. (R. McNeil), Hove.
HOWARTH, G. W. (W. Bell), Bolton.
HOWES, R. J. (P. T. Comber), London.
HOWLAND, C. G. (W. E. Pyne), Manchester.
HOWLETT, R. (C. W. Smith), Ipswich.
HUBBARD, R. M. (D. J. Brannan), London.
HUGHES, D. R. (J. E. Evans), Chester.
HUGHES, E. G. (F. Everett), London.
HUGHES, H. (H. Hockaday), Liverpool.
HULL, P. C. (F. T. Slade), Birmingham.
HUNT, N. J. F. (R. W. L. Eke), London.
HUNZIKER, R. F. (L. Blakie), London.

IBBOTSON, P. C. (D. C. Norris), Blackburn.
INGHAM, J. (T. Albinson), Ashton-under-Lyne.
INGLIS, R. S. (J. A. Greenacre), Birmingham.
INGOE, D. (W. S. Rainbow), Newcastle upon Tyne.
IRONS, S. L. (C. H. I. Chown), Ilford.
ISBELL, G. J. R. (G. A. Riches), Norwich.
ISRAEL, N. V. (L. H. Fink), London.

JACOBS, G. M. (W. A. Byars), London.
JACOBS, L. H. (C. D. Beck), Manchester.
JAFFERY, M. R. (W. G. James), Cardiff.
JAMES, G. W. (J. K. King), London.
JAMES, P. L. (A. N. Hollis), London.
JANES, I. R. H. (K. A. Millichap), Manchester.
JAYCOCK, (Miss) V. D. (C. H. Nathan), London.
JEFFAY, C. (R. Goorney), Blackpool.
JENKINS, D. H. (G. B. Watson), Oxford.
JENKINS, F. C. (A. R. Knight), London.
JIGGINS, G. A. W. (W. J. Germing), London.
JOHN, G. V. (G. K. Singer), Bridgend.
JOHNSON, D. R. (C. H. Appleby), London.
JOHNSON, I. S. (F. T. Wright), London.
JOHNSON, N. (E. Moss), Accrington.
JONES, B. L. (J. R. Hayes), Llangollen.
JONES, C. P. (H. W. Norman), London.
JONES, D. G. (P. E. Wallis), Liverpool.
JONES, G. M. (W. H. Jones), Swansea.
JONES, K. S. (J. F. Butlin), London.
JONES, M. C. (R. M. Bradburn), Liverpool.
JORDAN, C. J. (G. H. B. Cox), Burton-on-Trent.
JORDAN, (Miss) J. M. (R. F. Inch), London.
JORDAN, M. J. (K. C. Makinson), Burton-on-Trent.
JUKES, R. W. S. (R. G. Leach), London.

KEMP, T. G. (G. H. Dodsworth), London.
KENNINGTON, I. G. (R. Grimble), London.
KERMODE, H. W. (W. C. Cull), Southampton.
KERR-SHEPPARD, J. B. (E. L. Langton), London.
KHAKHRIA, V. K. (W. H. Johnstone), London.
KHAN, M. A. (P. E. Bryan), London.
KHAN, M. R. (W. I. B. Trott), London.
KILVERT, K. (G. E. Sawtell), Stourbridge.
KING, W. P. (R. A. Chermside), Bristol.
KIRK, G. S. (C. Ellice), London.
KIRKLAND, C. W. (H. S. Coley), Bournemouth.
KIRKMAN, D. J. (R. E. Kay), Sheffield.
KIRSTEIN, I. M. (S. Harrison), London.
KNIBB, R. D. (G. E. Millson), London.
KNIGHT, K. S. (W. R. Fairclough), Liverpool.
KNIGHT, P. J. (E. H. Wingfield), London.
KWAN, C. H. (R. I. Skeet), London.
KYLE, P. J. (C. J. Robinson), London.

LAKOUFIS, N. N. (S. T. Farmiloe), Birmingham.
LAMB, G. C. (J. R. Heslop), Newcastle upon Tyne.
LANCASTER, R. F. (S. Woodyer), Liverpool.
LANDAU, M. R. (I. M. Cohen), London.
LANE, P. (N. J. Millard), London.
LASSMAN, M. A. (W. R. Malvern), London.
LAURIE, A. H. (J. Radstone), London.
LAW, B. (J. Lamb), Newcastle upon Tyne.
LAWRENCE, D. J. (J .J. Baker), London.
LAWTON, I. J. (R. Watson), Liverpool.
LEEKE, J. H. D. (J. A. C. Weber), Cardiff.
LEES, J. R. M. (J. P. Clayton), London.
LEES-JONES, W. R. (D. L. Chaplin), Manchester.
LEGGE, R. H. (J. S. Holloway), Wolverhampton.
LEON, A. J. (R. Y. Taylor), Manchester.
*LEVY, E. G. (D. F. L. Cooke), London.
LEWIS, J. R. (L. R. Lewis), Luton.
LEWIS, W. D. G. (C. G. Brown), London.
LIGHTFOOT, G. (C. F. Savage), Warrington.
LITTLEBURY, J. D. B. (W. S. Wicks), Liverpool.
LLEWELLYN-SMITH, C. L. (F. W. Dadswell), London.
LLOYD-JONES, M. (D. J. Gow), Bournemouth.
LLOYD-SIMPSON, K. N. (W. T. Horsfall), Liverpool.
LOMAX, R. T. (J. H. L. Davies), London.
LONG, P. D. (M. G. English), Fakenham.
LONGCROFT, P. M. S. (K. W. Bouch), London.
LOY, C. J. (E. C. Turner), Birmingham.
LUCAS, A. (W. T. Williams), London.
LYNDON, P. W. (G. E. A. Bendall), Birmingham.

MCCABE, J. E. (J. G. Sankey), Manchester.
MCDONALD, (Miss) J. (H. McDonald), Birmingham.
MACDOUGALL, J. M. (L. R. Elcombe), London.
MACFARLANE, P. F. (A. G. Touche), London.
MCMORRINE, D. W. (J. R. Hague), Oldham.
MCOWAT, T. R. H. (H. Bolton), Leeds.
MADON, S. R. (T. W. Pickard), Cardiff.
MAJOR, P. J. (A. P. L. James), Chepstow.
MAJZUB, F. (C. O. Saxby), Birmingham.
MALLINSON, A. J. (R. J. H. Eagle), London.
MANNERING, C. T. (L. O'B. Deacon), London.
MANNING, K. (H. M. Westcott), London.
MANSFIELD, G. E. (H. T. C. Reid), London.
MARGOLIS, G. E. (C. Wallington), London.
MARKS, L. G. (R. O. White), London.
MARSDEN, P. G. (G. C. Hollowell), London.
MARSHALL, J. D. (J. Wilson), Middlesbrough.

Mason, (Miss) A. (P. J. Madge), Southampton.
Mather, J. S. (P. J. Y. Jehring), London.
Maton, M. G. (G. H. C. Stanley), Birmingham.
Matthews, D. G. (K. C. Makinson), Burton-on-Trent.
May, A. J. (W. L. Solon), Worcester.
Mayhew, T. O. (B. Wright), London.
Mayle, J. F. (E. W. Watts), London.
Maynard, B. A. F. (J. W. Milledge), Poole.
Mehta, A. S. (J. J. Lopian), Manchester.
Millar, K. M. H. (N. F. Norris), London.
*Miller, J. A. (W. E. Parker), London.
Miller, M. J. F. (H. G. Ash), London.
Mills, D. G. (J. P. Moll), London.
Milne, C. P. C. (G. H. Heaton), Birmingham.
Minshull, W. T. G. (C. D. Anderson), Cheltenham.
Mitchell, G. D. (F. Battersby), Manchester.
Mitchell, J. D. B. (R. E. Carey), London.
Mittal, D. P. (N. W. Newman), London.
Modi, S. A. (C. Fenton), London.
Mole, A. J. (M. C. Holt), London.
Moore, K. J. (A. G. Hirst), Liverpool.
Moore, P. G. (H. J. R. Roffe), London.
Morgan, C. H. (R. H. Jeffs), Pontypridd.
Morgan, D. C. (R. M. Peat), London.
Morris, G. B. (E. D. Mile), Taunton.
Morris, J. I. (G. B. Elphick), Chester.
Morritt, R. M. (I. D. Coutts), Norwich.
Morton, C. S. (J. W. Boothman), Blackburn.
Mosley, D. (W. L. Dunn), Nottingham.
Moss, J. W. (M. C. Holgate), Manchester.
Mottram, H. E. (E. S. Foden), Cardiff.
Muddiman, D. M. (N. J. Wigley), Birmingham.
Mufti, H. S. (H. W. Franklin), London.
Murad, E. H. (A. A. Bradshaw), London.
Murray, J. R. (G. E. Jones), London.

Nahoum, M. E. (I. G. de Mesquita), London.
Neale, B. G. (D. P. Giuseppi), Oakham.
Needham, T. A. (P. J. L. Case), Watford.
Newman, M. J. G. (W. L. Norman), London.
Newman, R. A. (F. T. Snow), London.
Newton, D. H. (D. A. J. Draper), London.
Newton, I. D. (H. S. Stafford), Manchester.
*Ng, W. K. (F. S. Young), London.
Nichols, W. P. (N. G. Webber), Exeter.
*Nicholson, A. V. (P. A. Aldrich), London.
Nicholson, F. E. E. (R. W. Lambeth), Cheltenham.
*Northam, (Miss) P. L. (C. Romer-Lee), London.
Northedge, D. J. (E. J. G. Wooding), Birmingham.
Nossek, G. N. (M. H. Leighton), London.
Nyman, E. M. (N. H. Davis), London.

Oates, H. A. (W. N. Bassett), Birmingham.
Onions, D. M. (H. R. Crouch), London.
Onions, G. (R. M. Backhouse), London.
O'Regan, M. D. B. (P. G. Hounsfield), London.
Orkin, B. M. (P. A. Cohen), London.
O'Sullivan, N. J. (I. V. Cummings), Romford.
Owen, C. A. (J. M. Higgison), Bristol.
Owram, D. (S. Scholey), Leeds.
Oyler, E. J. W. (D. A. Clarke), London.

Pangbourne, J. R. (H. E. Halliday), Newport, Mon.
Pardey, D. H. (A. R. Brackenridge), London.
Parkes, B. M. (F. I. Edwards), Birmingham.
Parks, P. E. (M. G. Fox), Sutton.
Parris, T. R. (K. J. Fuller), Bletchley.
Paul, A. K. (R. M. Patel), London.
Payne, D. (T. D. B. Shaddick), Redditch.
Payne, D. R. (H. A. Kinney), Brighton.
Pearce, M. J. (P. M. Mossman), Taunton.
Pearson, D. J. C. (S. Tickle), Birmingham.
Pembroke, M. (C. A. Bartlett), London.
Pendrill, R. W. (E. Humphrey) London.
Pepper, T. R. (H. M. Pepper), Walsall.
Perrett, P. W. R. (C. W. Puckett), Torquay.
Phillips, C. H. (H. T. Wickham), Falmouth.
Phillips, I. (N. G. Phillips), London.
Phillips, R. L. (P. F. Spurway), Cardiff.
Phua, T. S. L. (A. T. Burn), Worthing.
Pickford, E. F. (A. Rigby), Manchester.
Pilling, J. D. C. (H. Crawshaw), Accrington.
Platt, J. C. (A. E. Norfolk), Hull.
Plumtree, B. M. (W. G. Medlam), London.
Porter, M. L. (D. B. Webster), Sheffield.
Porter, R. S. (R. H. Jarritt), Bristol.
Povey, J. W. (T. W. Bowyer), Reading.
Powell, T. (N. H. Gill), Leeds.
Power, J. F. (R. G. Carter), London.
Powles, D. J. (E. W. Evans), Coventry.
Pratt, G. B. (J. C. Littlejohns), London.
Price, E. D. (R. A. Coupland), London.
Prime, B. S. (R. L. B. Guettier), London.
Prosser, A. A. (S. V. Lancaster), Birmingham.
Pryke, C. W. (C. M. Duncan), London.
Pryor, R. B. (D. H. Whinney), London.

Quail, (Miss) R. J. (T. B. Quail), Nottingham.
Quraeshi, S. (H. Webber), London.

Radcliffe, J. (C. Connelly), Huddersfield.
Rae-Fraser, G. S. (R. J. Fisk), London.
Rafe, N. B. (J. P. Stephens), London.
Raha, S. N. (S. J. Melbourne), London.
Ramage, D. A. (J. R. Train), London.
Randall, J. G. (G. C. Jarvis), London.
Randle, I. L. (J. H. Worth), Northwich.
Rands, P. G. G. (G. A. J. Morris), London.
Ray, M. (C. Pegg), London.
Rayner, M. E. C. (A. C. Durrant), Tonbridge.
Reeder, J. P. (B. A. W. Fox), London.
Reeves, D. B. (S. Schwartz), London.
Rex, N. (D. S. Glentworth), Grimsby.
Reynolds, M. P. L. (A. J. Ayling), London.
Rhodes, W. W. (T. Bedford), Leeds.
Richards, W. S. C. (R. W. C. Dunn), Birmingham.
Richardson, B. E. (F. H. G. Tompkins), London.
Ridges, M. J. (J. M. Harvey), Liverpool (*Plender Prize for the General Commercial Knowledge paper*).
Rind, M. S. (H. Gould), London.
Robinson, A. E. S. (O. R. K. Barnett), Andover.
Robinson, D. A. (C. C. Bullock), Hanley.
Root, N. D. (J. T. Isherwood), London.
Roper, A. D. (R. H. Cave), London.
*Rose, J. W. (L. H. Mitchell), London.
Rosling, E. P. C. (H. Peat), London.
Round, J. (A. E. Flux), Derby.
Rourke, B. (A. E. Harrison), Liverpool.
Rowley, R. P. (M. D. Wilkie), Wolverhampton.
Roy, M. K. (T. W. Dargue), London.
Rushton, T. P. (H. A. Deeker), London.

Saideman, S. G. (C. Fenton), London.
Saleem, S. (C. Romer-Lee), London.
Salkeld, D. S. (W. R. Dawson), Penrith.
Sanders, R. G. W. (J. R. Chappell), Ilford.
Satchell, J. H. (R. P. Chambers), London.
Saunders, I. D. (R. I. Pooles), Richmond, Surrey.
Saunders, J. D. (J. C. MacGregor), Liverpool.
Schofield, K. (V. Matthews), Manchester.
Scholley, F. G. (P. G. Jordan), Sheffield.
Scott, K. L. (G. W. Davies), Eastbourne.
Searle, J. F. (D. N. Smith), London.
Selby, H. (H. C. Rudolf), London.
Sftchell, P. A. (J. R. D. Bushell), Harrow.
Shaw, K. (R. G. Carter), London.
Shaw, R. (H. B. Johnson), Oldbury.
Shenoy, J. K. (E. W. G. Joicey-Cecil), London.
Sheppard, K. J. (A. N. Chapman), London.
Shinton, J. (C. E. Armston), Walsall.
Short, D. W. (R. G. Fox), Southampton.
Sidall, M. E. (J. N. B. Millican), London.
Sievers, F. R. (G. Carew-Jones), London.
Silverman, B. G. (H. H. Marks), London.
Silverman, S. C. (B. M. Rothmer), Manchester.
Sitaram, N. (B. Manners), London.
Sitch, D. C. (W. N. Andrews), London.
*Slowe, R. L. (H. Arbeid), London.
Smeeton, R. (W. R. Bralesford), Nottingham.
*Smith, A. M. (H. J. Gittings), Cheltenham.
Smith, A. S. (G. C. Millichamp), Wolverhampton.
Smith, D. F. (E. J. H. Hart), Bristol.
Smith, G. (A. S. Rigby), Chorley.
Smith, J. A. H. (H. R. Stacey), London.
Smith, J. N. W. (W. E. Beddington), Derby.
*Smith, R. C. (J. H. Banfield), London.
Smith, V. (C. Mourant), London.
Smith, V. D. (C. W. Massey), Birmingham.
Sones, J. S. (L. C. Simpson), Leicester.
Sparkes, T. M. (J. B. Butterworth), Bridgwater.
Stalworth, P. J. (N. G. Webber), Exeter.
Stansfield, J. I. (I. C. Griffiths), Manchester.
Stanworth, A. D. (W. Parker), Burnley.
Stephens, J. A. (E. J. N. Nabarro), London.
Stichbury, R. C. (R. F. Inch), London.
Stockton, J. C. (R. J. Stockton), Chester.
Stone, P. C. (W. W. Bigg), London.
Stott, J. A. (G. S. Norris), Manchester.
Stovold, B. S. C. (W. R. Middleton), London.
Stretch, J. L. (F. A. Harris), London.
Suggett, R. (A. A. Duffin), Nottingham.
Suter, D. W. (R. A. Pearce), Yeovil.
Sutherland, B. G. (H. N. Wylie), London.
Swarup, A. K. (C. Elman), London.

Talfourd-Cook, B. (G. Talfourd-Cook), Reading.
Taverner, J. E. (W. J. C. Kendall), Great Malvern.
Taylor, A. G. (G. C. Ratnage), London.
Taylor, A. J. De L. (K. W. Oxley), Bradford.
Tellis, R. I. S. (G. J. Myers), London.
Temlett, P. J. (D. B. Newman), Twickenham.
Tetley, B. (G. Ingham), Bradford.
Tetley, J. C. N. (E. F. G. Nettleton), Bradford.
Thesiger, M. E. (R. A. Hamlyn), London.
Thomas, C. C. (W. Wild), Manchester.
Thomas, J. N. (K. W. Deacon), Coventry.
Thompson, G. B. (W. A. Davies), London.
Thomson, D. (J. T. Patterson), London.
Thornber, A. F. (D. C. Smith), Burnley.
Threlford, D. G. (A. C. Warne), London.
Tillett, P. G. F. (S. A. Letts), London.
Tite, A. C. (K. C. Lindsay), London.
Toff, S. (M. Cooper), London.
Torlesse, C. D. (A. Cowdy), Portsmouth.
Towndrow, R. W. (R. C. Scrimshaw), Chesterfield.
Townsend, G. B. (F. Howarth), Manchester.
Tresidder, V. C. (T. W. Saunders), Farnham, Surrey.
Trouse, M. J. (W. T. Meigh), London.
Turner, I. R. (N. H. Pattison), Newcastle upon Tyne.
Turner, J. (C. J. Maples), London.
Turton, R. C. (C. E. Turton), Nottingham.
Turton, W. J. (E. W. Frost), Derby.
Tyson, C. H. E. (R. F. W. Sheraton), Brighton.

Vaidyanathan, V. (M. G. Miles), London.
Venner, M. J. (F. J. Thompson), Exeter.
Vogel, I. (R. Kay), Manchester.

Wadsworth, B. D. (P. Williams), Huddersfield.
Wain, A. C. (F. A. Lillywhite), London.
Wallace, J. D. O. (S. P. Wilkins), London.
Waller, D. L. (O. A. J. Ling), Derby.
Wallis, J. R. A. (J. H. Rhodes), Leeds.
Walmsley, G. (F. W. Langley), Liverpool.
Ward, B. J. (R. A. Watson), Croydon.

WATES, H. R. (S. W. Penwill), London.
WATKINS, B. J. (L. M. G. Harris), London.
WATKINS, G. A. (P. A. Bridger), Birmingham.
WATSON, D. A. (W. F. Hague), London.
WATSON, E. M. (H. H. Blackburn), Bradford.
WATSON, H. T. (R. P. Ingram), London.
WATSON-MILLER, G. F. (A. W. Dalling), Brighton.
WATTS, M. A. (D. G. Gordon), Bournemouth.
WEBB, (Miss) B. M. (C. C. Hayman), London.
WEBSTER, R. A. (M. C. George), London.
WELLING, R. P. (H. A. Esden), London.
WHEELER, J. D. (W. D. Anderson), Middlesbrough.
WHITE, M. H. (E. D. Lamb), London.
WIENER, E. A. J. (W. G. Campbell), London.
WILD, G. (H. E. Coulthurst), Manchester.
WILKINS, D. L. (A. H. Rodwell), Preston.
WILKINSON, J. M. (L. K. Wilson), Warrington.
WILKINSON, J. S. (P. S. Lane), London.
WILLATS, A. (S. J. Baker), London.
WILLIAMS, B. J. (G. K. Singer), Bridgend.
WILLIAMS, E. G. (H. R. Jackson), Chester.
WILLIAMS, F. H. (T. N. Booth), Bury.
WILLIAMS, H. E. (T. D. Jenkins), Dartford.
WILLIAMS, R. C. (W. B. Wevell), Wells.
WILLIAMSON, J. S. (J. H. Allen), Abingdon.
*WILLINGS, M. R. T. (E. Caldwell), London.
WILLSON, P. E. (W. W. Brown), Birmingham.
WINDOW, I. A. (A. L. Rowles), London.
WINKS, D. J. F. (W. A. Clubb), Cardiff.
WISEMAN, J. N. (N. Wiseman), Blackpool.
WOOD, G. R. (R. F. Prior), Nottingham.
WOOD, M. R. (S. Makin), London.
WOOD, R. A. (B. D. Alexander), Maidstone.
WORMALD, E. C. J. (P. J. Butterworth), Bridgwater.
WREFORD, R. J. (H. D. Solomon), London.
WRENNALL, D. L. (P. N. Taylor), Manchester.
WYDELL, G. A. (G. Sunley), London.

*YALE, (Miss) M. A. (T. Taylor), Llandudno.
YOUNG, D. T. (L. T. Eyles), London.
YOUNG, R. N. (C. H. Nathan), London.

ZAIN, M. (B. I. Rainey), London.
ZIPRIN, G. C. (G. J. Myers), London.

626 Candidates passed.
694 Candidates failed.

PRELIMINARY EXAMINATION

Held on November 12, 13, 14 and 15, 1957.

Full List of Names of Successful Candidates
(in alphabetical order)

ALLEN, M., London.

BLAND, M. N., Manchester.
BRADSHAW, J. N., Rochdale.
BULLOCK, J. M., Congleton.
BUTLER, P. G., Mirfield.

CHALLINOR, D., Dusseldorf.
CONNAH, M. T., London.
CRAIGHILL, B., Manchester.
CROMPTON, P. F., Streetly.

DARBY, M., Dukinfield.
DEWAR, R. D., Sanderstead.
DINES, G. W., Grays.

ELLIOTT, G. N., Hale.

FELLOWES, M. D. D., London.
FLETCHER, J. K., Solihull.

HADFIELD, M. A., Chesterfield.
HARRIS, J. A., London.
HENDERSON, W. E., Hebden Bridge.
HESS, A., Birmingham.

JONES, A. G. S., Liverpool.
JONES, C. R., Birmingham.

KEITH, G. J., High Wycombe.
KIRKLAND, J., Belper.
KLAGE, G. C. W., London.

MASSEY, P. J., Hazel Grove.
MITCHELL, T. J., Halifax.

NEWBY, P. Q. J., Twickenham.

OVERTON, J. L., Derby.

PRESTAGE, P. A., London.

SCHOFIELD, P. F., Oldham.

SMITH, D. M., Gerrards Cross.
STONEHOUSE, B. H., Kidderminster.
STRANG, W. R., Dartmouth.

THANGARAJAH, S. S., London.
THEVARAJAH, V., London.

WHITFIELD, J. H., Smethwick.
WOOTTON, K. D., Bradford.

37 Candidates passed.
75 Candidates failed.

Deloitte Prize for the year 1957:

STONEHOUSE, B. H. (Kidderminster) (November 1957 examination).

The Society of Incorporated Accountants

Results of Examinations—November, 1957

FINAL EXAMINATION

PARTS I AND II†

HONOURS

First Certificate of Merit and a Sir James Martin Memorial Prize:

CROSBIE, T. M. (W. A. Deevy & Co.), Waterford.

Second Certificate of Merit and a Sir James Martin Memorial Prize:

BLESSITT, M. (Peat, Marwick, Mitchell & Co.), Leeds.

Full List of Names of Successful Candidates
(in alphabetical order)

ABEL, C. W. E. (W. H. C. Wayte), Loughborough.
AINSWORTH, L. N. (F. Geen & Co.), Stoke-on-Trent.
ALLEN, R. W. (Peat, Marwick, Mitchell & Co.), London.
ALLEN, T. J. (Keens, Shay, Keens & Co.), London.
ALLISON, L. (formerly with Herbert Armstrong & Co.), Newcastle upon Tyne.
ALTHASEN, G. H. (Soper, Davidson & Co.), London.
APPLEBY, H. (Greaves & Co.), Newcastle upon Tyne.
ARIS, P. J. P. (formerly with Buckley, Hall, Devin & Co.), London.
ARNO, J. C. (Cooper Brothers & Co.), Liverpool.
ASHTON, R. A. (Farr, Rose & Gay), London.
ATKINSON, J. (Sansom, Bell & Co.), Darlington.
ATKINSON, W. J. (W. F. Atkinson), Sunderland.
AUGUST, R. C. (Reeves, Gothard & Farries), London.

† The list is of the names of candidates who have completed the Final Examination, including those who had previously satisfied the examiners in one Part and have now completed the examination by passing the other Part.

BACKHOUSE, B. D. (Boaler, Flint & Hurt), Nottingham.
BALL, R. K. (Pike, Russell & Co.), London.
BARNES, M. F. G. (Slater, Dominy & Swann), Cambridge.
BATES, J. M. (Eric Phillips & Co.), London.
BENNETT, A. S. (P. G. Heslop & Co.), London.
BENNETT, M. A. (Maurice Thei & Co.), London.
BENNIGSEN, C. F. G. (A. J. Harper & Co.), London.
BERRIDGE, H. (Scott, Wheatley & Palmer), Hull.
BICKER, R. J. (Peat, Marwick, Mitchell & Co.), London.
BICKERTON, R. (James Grimwood & Co.), London.
BILLINGHURST, R. F. (formerly with A. Hornby & Co.), London.
BINNS, D. R. (Lithgow, Nelson & Co.), Southport.
BIRD, (Miss) S. A. (Deloitte, Plender, Griffiths & Co.), London.
BLADES, D. J. T. (Viney, Price & Goodyear), London.
*BLESSITT, M. (Peat, Marwick, Mitchell & Co.), Leeds.
BOLSTER, J. R. (Derbyshire & Co.), London.
BRADBURN, D. R. (John Fairhurst & Tyrer), Wigan.
BRAINT, R. B. (Carr Braint & Johnson), Leicester.
BRAMWELL, J. W. E. (Morrish Walters & Co.), London.
BRINSMEAD, P. D. (C. F. Middleton & Co.), London.
BROWN, C. F. (Viney, Price & Goodyear), London.
BUNKER, K. J. (F. E. Hoggarth & Co.), Kingston-on-Thames.
BURKE, R. M. (Craig, Gardner & Co.), Dublin.
BURNETT-HURST, C. R. (Baldwin, Billington & Co.), Blackburn.
BUTCHER, J. B. (Sprague, Nicholson, Morgan & Co.), London.

CALLIS, S. (Nyman Libson, Paul & Co.), London.

* See also Honours.

CARGILL, I. J. (Peat, Marwick, Mitchell & Co.), Newcastle upon Tyne.
CARTER, F. J. (D. P. Newell, Wright & Co.), Kidderminster.
CASEY, J. (Lerman & Cash), Birkenhead.
CAVE, A. R. (Davies Bros. & Co.), London.
CAVE, M. E. F. (Baker & Co.), Northampton.
CHAPMAN, J. (Keens, Shay, Keens & Co.), Bedford.
CLIFFE, P. G. (Haswell Bros.), Chester.
COLLINS, R. P. (Ashworth, Moulds & Co.), Burnley.
COLLINS, R. F. (Pawley & Malyon), London.
COLVIN, J. G. (formerly with Winter, Robinson, Sisson & Benson), Newcastle upon Tyne.
COOKE, E. S. (J. A. Kinnear & Co.), Dublin.
COOKSON, O. T. B. (Baker & Co.), Northampton.
COOMBES, J. F. M. (Westlake, Clark & Co.), Southampton.
COOPER, E. J. (Slater, Chapman & Cooke), London.
CORNISH, R. (Chas. W. Rooke, Lane & Co.), London.
COX, J. L. (Peplow, Warren & Furler), Newton Abbot.
CRAVEN, C. B. (J. A. Kinnear & Co.), Dublin.
*CROSBIE, T. M. (W. A. Deevy & Co.), Waterford.
CROSS, (Miss) G. B. (Bicker, Son & Dowden), Bournemouth.
CRUSE, R. J. (R. W. G. Taper), Paignton.

DANSKIN, P. (George A. Robinson), Gateshead.
DAVIES, B. C. (W. G. & D. G. Evans & Co.), Cardiff.
DAVIES, K. H. (G. L. Chick & Co.), Cardiff.
DAY, C. C. (Kingston, Smith & Co.), London.
DUXBURY, K. (Armitage & Norton), Leeds.

EDWARDS, P. J. (E. F. Kellett & Co.), London.
ELLIS, D. D. (Stephenson, Smart & Co.), Scunthorpe.
EMSDEN, K. V. (Alliott, Makepeace & Co.), London.
ENDERBY, R. (Pickard, Penny & Co.), Leeds.

FLETCHER, H. (Wheawill & Sudworth), Leeds.
FOWLER, N. (Bolton, Wawn & Co.), Sunderland.
FRANKLIN, I. H. (formerly with D. J. Brass, Scott & Co.), London.

GAYNOR, R. L. (Martin, Quin & Co.), Dublin.
GEAR, W. H. (Croft, May & Co.), London.
GILLEN, P. F. (formerly with Maurice Sheehan & Co.), Dublin.
GILLSON, H. (Brown, Butler & Co.), Leeds.
GINSBERG, J. J. (Bernard Goodwin & Co.), London.
GLOVER, W. D. (Norris, Tucker & Co.), London.
GRACE, D. (S. R. Fuller & Co.), Leeds.
GRANT, G. H. (A. & E. Law & Co.), Walsall.
GRANT, J. R. (Board of Inland Revenue), Coventry.
GRIFFITHS, F. A. (Woolley & Waldron), Southampton.
GRIST, I. G. (Welford, Scott & Co.), London.

HALLAM, C. A. (Baker & Co.), Leicester.
HARDLESS, A. C. (Norfolk, Pawsey & Co.), Clacton-on-Sea.
HARPER, T. J. (Kimpton, Holland & Co.), Newport, Mon.
HARRIS, N. (John R. Korn & Co.), London.
HART, H. C. (Board of Inland Revenue), Coventry.
HART, N. C. P. (Keens, Shay, Keens & Co.), Luton.
HARTELL, A. (Thomas May & Co.), Leicester.
HAWKINS, B. H. (Keens, Shay, Keens & Co.), Hitchin.
HEARNSHAW, P. J. (Clement Keys & Son), Birmingham.
HEDLEY, P. (W. G. Hawson, Wing & Co.), Sheffield.
HIGHMORE, E. A. (C. N. Walter, Lester & Co.), London.
HOING, R. C. (Eric Phillips & Co.), London.
HOLOHAN, M. V. (Fitzpatrick & Honan), Limerick.
HORNBY, (Miss) E. (John Haworth), Blackburn.
HUGHES, A. (Kevans & Son), Dublin.
HUNT, A. T. (Kemp, Chatteris & Co.), London.
HUNT, J. A. (Wells, Richardson & Co.), Sheffield.

JACKSON, R. D. (Gordon Hawley & Co.), London.
JENKINS, D. G. (Deloitte, Plender, Griffiths & Co.), London.
JONES, R. V. (Bryden, Johnson & Co.), London.
JONES, W. (Ford, Rhodes, Williams & Co.), London.
JORDAN, J. O. P. (Radford, McColl & Co.), Southampton.

KEMP, H. J. (Rowand & Co.), London.
KENNINGTON, P. F. (Mellors, Basden & Mellors), Nottingham.
KERR, B. J. (John Mitchell & Co.), Newcastle upon Tyne.
KERR, J. F. E. (H. A. F. Brookes), Liverpool.
KILBURN, A. G. (Ogden, Hibberd Bull & Langton), London.
KING, N. S. (Deloitte, Plender, Griffiths & Co.), London.
KIRKHAM, M. R. (K. H. A. Knight), Abergele.

LAM, F. M. (formerly with Sorab S. Engineer & Co.), Bombay.
LANDIS, A. (Stoy, Hayward & Co.), London.
LANDSMAN, A. C. (C. Neville Russell & Co.), London.
LANGDALE, D. (Baker & Co.), Northampton.
LANIGAN, G. (Beck, Ross & Co.), Manchester.
LAURIE, D. (S. R. Fuller & Co.), Leeds.
LEGG, P. A. (Appleby & Wood), London.
LE MAITRE, D. V. (Marshall, Hoare & Chandler), Guernsey.
LESLIE, C. (Rowley, Pemberton & Co.), London.
LEWIS, N. C. (Geoffrey Schofield & Co.), London.
LIVESEY, R. (Mumford, Haywood & Crumpron), Kidderminster.
LYE, R. J. (Chantrey, Button & Co.), London.

MCCLEARY, W. (formerly with Henry V. Olver & Co.), Belfast.
MCKINNELEY, I. (formerly County Treasurer's Department), Cardiff.
MCLEOD, W. R. (Baker, Sutton & Co.), London.
MATHIE, J. F. (Fleming & Black), Glasgow.
MONU, G. O. (Cassleton Elliott & Co.), London.
MOORE, R. S. (Peat, Marwick, Mitchell & Co.), Liverpool.
MORGAN, R. (Thomas Forster & Co.), Manchester.
MOSER, G. M. B. (E. A. Woods), Northampton.
MULDOON, S. P. (Griffin, Lynch & Co.), Dublin.
MULLEN, M. J. (Henry M. Murphy & Co.), Dublin.

NELSON, W. L. (Alfred E. Pugh & Son), Newport, Mon.
NEWBY, D. A. (W. H. Walker & Co.), Douglas, I.o.M.

OLANDEINDE, S. A. (Knight, Bland & Co.), Ilford.
OLDALE, D. L. (Hibbert, Sier, Woods & Co.), London.
O'NEILL, J. A. (Martin, Farlow & Co.), London.
OSBORNE, R. (Harmood Banner, Lewis & Mounsey), Liverpool.

PALIN, M. J. (Cooper-Parry, Hall, Doughty & Co.), Derby.
PALMER, I. G. (Valentine Hayman & Co.), Torquay.
PAULDEN, J. L. (Accountant General's Department), Kampala, Uganda.
PERCIVAL, B. J. (F. C. R. Moule), Nottingham.
PHILLIPS, E. (R. Harold Hughes & Co.), Wolverhampton.
PHILLIPS, T. D. (Wynn Llewellyn, Davies & Co.), Narberth.
PICKARD, D. (Peat, Marwick, Mitchell & Co.), Leeds.
PIGGOTT, D. F. (Farr, Rose & Gay), London.
PIZZEY, D. A. (Midgley, Snelling & Co.), London.
POFFLEY, C. F. (Edmonds & Co.), Portsmouth.
POND, D. F. (Layton-Bennett, Billingham & Co.), London.
POWER, B. D. (formerly with Whitehill, Marsh, Jackson & Co.), London.
PRATT, R. T. M. (E. T. Collins & Son), Bristol.
PRICE, S. A. B. (Fred J. Ault & Co.), Birmingham.

QUARTEY-PAPAFIO, E. A. (E. S. Webb & Co.), London.

RALPH, B. D. (Lindsay, Jamieson & Haldane), London.
RANDERSON, B. J. (Croudson & Co.), Leeds.
RANSOME, P. J. (formerly with Baker, Sutton & Co.), London.
READ, J. L. (A. J. Northcott, Lyddon & Co.), Plymouth.
REDSELL, D. G. (Carley & Co.), Gravesend.
REID, J. R. A. (Viney, Price & Goodyear), London.
RENNY, M. F. (Button, Stevens & Witty), London.
ROBINS, E. J. (Edward Myers, Clark & Co.), London.
ROBINSON, S. (Thomas Smith & Sons), Glasgow.

SALTON, T. (Oliver, Mackrill & Co.), Hull.
SARGENT, J. H. (John Potter & Harrison), Blackpool.

SUMMARY

	Final			Intermediate
	Parts I & II	Part I	Part II	
Candidates passed	8	159	208	291
Candidates failed	20	202	179	378

12 Candidates who sat for Parts I & II of the Final Examination satisfied the Examiners in Part I only.

3 Candidates who sat for Parts I & II of the Final Examination satisfied the Examiners in Part II only.

SCANNELL, G. C. (Harold Thompson, Baxter & Co.), London.
SCHRYBER, I. D. (Daniel Rose & Co.), London.
SCOTT, E. T. (Ministry of Housing & Local Government), Leeds.
SCOTT, J. (Percy Coles & Co.), Watford.
SHARP, A. J. (Carr Braint & Johnson), Leicester.
SHEEHAN, J. P. J. (Maurice Sheehan & Co.), Dublin.
SHELTON, L. H. St.J. (formerly with E. H. Shelton), Kampala, Uganda.
SHERRY, J. (Dyke & Ruscoe), Shrewsbury.
SHERWOOD, R. (Joshua Wortley & Sons), Sheffield.
SHINN, D. M. (Stephenson, Smart & Co.), King's Lynn.
SIM, A. (Chrystal, McIntyre & Co.), Glasgow.
SKAN, J. O. F. (Walker, Weller & Roy), Worcester.
SLOWEY, B. A. (Purtill & Co.), Dublin.
SMITH, A. W. (J. D. Ayrton & Co.), Halifax.
SMITH, M. J. (Keens, Shay, Keens & Co.), Luton.
SPIVEY, R. (Wade Hustwick & Sons), Bradford.
STACEY, R. (Fredk. & C. S. Holliday), Leeds.
STANCLIFFE, G. W. (Rawlinson, Greaves & Mitchell), Bradford.
STANSIL, F. (Joseph Carr, McCracken & Co.), Newcastle upon Tyne.
STEELE, R. (Lodge & Winter), Truro.
STEVENS, M. J. K. (Eric Phillips & Co.), London.
STORR, D. A. (Hodgson, Harris & Co.), Hull.
SWANN, B. E. (Lovewell, Blake & Co.), Lowestoft.

TARN, S. I. (Jewitt, Sparrow & Swinbank), Stockton-on-Tees.
TAYLOR, G. D. (Frank Harrop & Co.), Manchester.
TAYLOR, N. (Wells, Richardson & Co.), Sheffield.
TEAR, D. W. (McPherson, Timmins & Ednie), Bedford.
THOMAS, W. E. A. (Westlake, Clark & Co.), Southampton.
THOMPSON, F. B. (Deloitte, Plender, Griffiths & Co.), London.
THORNHILL, (Miss) M. P. (Stephenson, Smart & Co.), King's Lynn.
THORNTON, A. R. (Boyce, Welch & Co.), Bradford.
THORNTON, G. A. (Bensusan-Butt, Eves & Co.), Colchester.
TOMS, D. C. (Malpas, Simmons & Co.), Bournemouth.
TURNBULL, I. S. (Prior & Palmer), Nottingham.
TURPIE, A. (Slater, Chapman & Cooke), London.
TWYMAN, B. C. (formerly with Crick & Bussell), London.
TYLER, R. H. G. (Hunter, Jones, Halford & Co.), London.

WAGSTAFF, A. (Cooke & Staples Parker), Mansfield.
WALSH, J. P. (J. A. Kinnear & Co.), Dublin.
WARD, W. J. (Deloitte, Plender, Griffiths & Co.), London.
WARDLE, R. (Blackburns, Robson, Coates & Co.), Leeds.
WARREN, J. (Lithgow, Nelson & Co.), Southport.
WATSON, D. C. C. (Holmes, Price & Co.), Hailsham.
WELBOURNE, C. E. (Larking, Larking & Whiting), March.
WILKINSON, W. (Herbert Armstrong & Co.), Newcastle upon Tyne.
WINNINGTON, J. S. M. (James A. Winnington & Co.), Belfast.
WOOD, C. (J. A. Harris & Co.), Barnsley.
WOOD, K. G. (Pickard, Penny & Co.), Leeds.
WOOD, M. C. (Simpson, Wreford & Co.), London.
WOOD, (Miss) S. S. (Cassleton Elliott & Co.), London.
WORTH, A. G. (Bingham Jones & Co.), Maidenhead.
WOULDS, W. I. (Ogden, Hibberd Bull & Langton), London.
WRIGHT, R. L. (Kemp, Chatteris & Co.), London.
WRIGHT, Robin Henry (with Derbyshire & Co.), London.

YATES, A. (J. A. Plumpton & Co.), London.

INTERMEDIATE EXAMINATION

HONOURS

First Certificate of Merit and a Sir James Martin Memorial Prize:
BAGSHAW, C. V. (Carr Braint & Johnson), Leicester.

Second Certificate of Merit and a Sir James Martin Memorial Prize:
LAHIRI, P. K. (formerly with P. K. Mitra & Co.), Calcutta.

Third Certificate of Merit and a Sir James Martin Memorial Prize:
CLARK, C. D. (Charles G. Clark & Co.), London.

Fourth Certificate of Merit:
HINE, R. L. (Spain Bros., McNab & Co.), Tunbridge Wells.

Fifth Certificate of Merit:
KROLL, D. (David Kroll & Co.), London.

Sixth Certificate of Merit:
CROSTON, P. (Loveridge & Moore), Southport.

Full List of Names of Successful Candidates
(in alphabetical order)

ALDOUS, B. J. (H. P. Gould & Son), Norwich.
ALLAN, J. B. (Edward Denton & Son), Liverpool.
ANNING, D. E. (Peat, Marwick, Mitchell & Co.), London.
ASHCROFT, T. (Moore & Smalley), Preston.
ASHWORTH, C. (Carter, Chaloner & Kearns), Manchester.
ATIASE, G. K. (Walpole, Harding & Co.), Brighton.
AUBREY, D. R. (Mumford, Haywood & Crumpton), Kidderminster.
AVORNYOTSE, E. A. (E. W. Longhurst & Co.), London.
AYEW, J. K. (Walpole & Co.), Worthing.

*BAGSHAW, C. V. (Carr Braint & Johnson), Leicester.
BARNES, A. J. (Larking, Larking & Whiting), Wisbech.
BARNETT, A. S. (P. Mitchell & Co.), London.
BARRELL, M. A. C. (Peat, Marwick, Mitchell & Co.), London.
BATES, D. J. (Starkie & Naylor), Leeds.
BELL, N. J. (Cattell & Chater), Kettering.
BENTIL, M. B. K. (Donald Jacobs & Co.), London.
BERGER, H. (Young & Co.), London.
BIRMINGHAM, M. E. (Hill, Vellacott & Co.), London.
BISHOP, L. J. A. (Slater, Chapman & Cooke), London.
BLAKE, C. F. (J. B. Titchener & Co.), London.
BOND, D. F. (Allnutt, Bradfield & Co.), London.
BOOTH, A. H. (Wilkinson & Freeman), Preston.
BRADY, L. E. (Atkins, Chirnside & Co.), Cork.
BRATHERTON, R. (Blease & Sons), Liverpool.
BRETT, J. (Whitehill, Marsh, Jackson & Co.), London.
BROADLEY, P. (Thos. Broadley), Nottingham.
BRUNSDEN, P. J. (Davies, Watson & Co.), London.
BRYANT, (Miss) E. M. (Watson & Danbury), London.
BUCKLER, K. H. (Buckler & Co.), Dudley.
BUTLER, R. R. (C. T. Moore & Co.), London.
BUXTON, P. (Norman Hemmingfield & Co.), Sheffield.

CALDWELL, D. F. (J. A. Kinnear & Co.), Dublin.
CARNIE, N. J. (Ross, Jones & Co.), Cardiff.
CARPENTER, P. J. (Nicholson, Beecroft & Co.), London.
CARTER, B. E. M. (Langridge & Langridge), East Grinstead.
CERNIK, R. K. (Pridie, Brewster & Gold), London.
CHAMBERLAIN, M. (Baker & Co.), Leicester.
CHAMBERLAIN, R. A. (Hodgson, Harris & Co.), Hull.
CHAUDHURI, N. C. (formerly with Kar, Sen & Co.), Calcutta.
CHEESEBROUGH, F. W. (C. Percy Barrowcliff & Co.), Middlesbrough.
CHELLEY, D. M. (Croydon & King), London.
CHIDGEY, A. S. (H. N. Murray & Co.), London.
CHUBB, G. B. (Arthur Daniels & Co.), Southsea.
*CLARK, C. D. (Charles G. Clark & Co.), London.
CLARK, J. F. H. (Cash, Stone & Co.), London.
CLEARY, J. R. (Simpson, Wreford & Co.), London.
CLIFF, D. W. (Peat, Marwick, Mitchell & Co.), London.
CLIFFORD, C. K. (Dixon, Wilson, Tubbs & Gillett), London.
COBDEN, R. C. (Ball, Baker & Co.), London.
COCKING, D. K. (Layton-Bennett, Billingham & Co.), London.
COHEN, H. V. (formerly with Leonard Curtis & Co.), London.
COLBY, D. A. (Mellors, Basden & Co.), London.
COLCLOUGH, M. E. (R. Statham & Co.), Burslem.
COOPER, D. W. E. (Duart-Smith, Baker & Price), Gloucester.
COOPER, (Miss) L. T. E. (Elliott, Mortlock & Co.), Grays.
COOPER, R. (Maurice Thei & Co.), London.
COWIE, (Miss) R. M. (Howard, Howes & Co.), London.
COXON, J. D. (T. H. Douglas & Co.), Sunderland.
COXON, P. J. E. (Hogg, Bullimore & Co.), London.
CROOK, K. A. (Harold Brown & Co.), Birmingham.
*CROSTON, P. (Loveridge & Moore), Southport.
CROXFORD, D. (Hepburn, Hagley & Knight), London.
CURTIS, S. (A. S. John & Co.), Pontypridd

DAKIN, K. A. (Bocock, Jeffery & Co.), Derby.
DALTON, J. (Hemingway & Dalton), Lancaster.
DAVIDSON, F. F. C. (James Baird & Co.), Belfast.
DAVIES, J. P. (Deloitte, Plender, Griffiths & Co.), London.
DAVIS, A. G. (Blease & Sons), London.
DAWSON, R. D. (Charles Taylor & Son), London.
DAY, G. (J. W. Wilkinson & Co.), Barnsley.
DEAN, G. (Shipley, Blackburn, Sutton & Co.), London.

* See also Honours.

DELMEGE, A. D. (Morris, Crocker & Co.), Portsmouth.
DEXTER, A. E. (Newby, Dove & Rhodes), Leicester.
DODDS, B. A. (Iion V. Cummings, Partridge & Co.), Romford.
DODDS, E. W. (Peat, Marwick, Mitchell & Co.), Newcastle upon Tyne.
DONHUE, D. S. (Lloyd, Piggott & Co.), Manchester.
DONOHOE, M. V. (Kennedy, Crowley & Co.), Dublin.
DREDGE, E. H. (Turquand, Youngs & Co.), London.
DUNHAM, C. (Thomas Bourne & Co.), Burton-on-Trent.
DUNN, T. (Wm. Robertshaw & Myers), Keighley.

EATON, C. (J. R. Watson & Co.), Northampton.
EDLEY, D. (John Baldock & Gregory), Grantham.
EDWARDS, T. (Welch & Parkinson), Liverpool.
EDWARDS, I. C. (Deloitte, Plender, Griffiths & Co.), Cardiff.
ELLIOT, R. F. (John Winn & Co.), Newcastle upon Tyne.
EVANS, H. J. (Gordon Thomas & Pickard), Swansea.
EVANS, K. R. (A. B. Snow, Wood & Co.), Stoke-on-Trent.
EVANS, S. E. (Russell, Durie Kerr, Watson & Co.), Birmingham.
EVERETT, (Miss) R. M. (Sandeman-Allen & Co.), Halesworth.
EVISON, J. E. (Garner, Pugh & Sinclair), Oswestry.
EYRES, R. I. (Woolley & Waldron), Southampton.

FARIS, J. B. (Deloitte, Plender, Griffiths & Co.), London.
FARRAR, N. A. (Armitage & Norton), Bradford.
FELL, M. (Peat, Marwick, Mitchell & Co.), Leeds.
FILLIS, E. J. (Dixon, Wilson, Tubbs & Gillett), London.
FINDING, M. J. (Butterworth, Jones & Co.), Bridgwater.
FIRMAN, A. H. (Edward Moore & Sons), London.
FISH, F. (Whinney, Smith & Whinney), Manchester.
FLAX, E. I. (with P. G. Heslop & Co.), London.
FLAY, T. H. (Phillips & Trump), Cardiff.
FLOWER, A. H. (Whinney, Smith & Whinney), London.
FORD, L. J. (J. Nicholson & Co.), Lincoln.
FRIEND, H. J. (Baker, Todman & Co.), London.
FURNESS, A. J. (Peat, Marwick, Mitchell & Co.), London.

GARRETT, D. R. (Ball, Baker & Co.), London.
GASCOIGNE, P. G. (Herbert Armstrong & Co.), Newcastle upon Tyne.
GHINN, A. (Malpas, Simmons & Co.), Bournemouth.
GILBERT, J. F. (Dawson & Gordon), Bournemouth.
GLASSOCK, B. S. (Pawley & Malyon), London.
GOODWIN, B. (Spain Bros. & Co.), London.
GORDON, V. (Peat, Marwick, Mitchell & Co.), Liverpool.
GOUGH, A. (Peat, Marwick, Mitchell & Co.), Darlington.
GREELEY, P. W. (Harold Everett, Wreford & Co.), London.
GREEN, E. T. (W. H. Walker & Co.), Liverpool.
GREEN, M. (Vasey, Oliver & Co.), South Shields.
GREEN, P. H. (Peat, Marwick, Mitchell & Co.), London.
GUEST, L. K. (Deloitte, Plender, Griffiths & Co.), London.
GUNN, B. E. (Edward Moore & Sons), London.

HAIGH, J. M. (Pickard, Penny & Co.), Leeds.
HALLIWELL, N. (John H. Nixon & Co.), Manchester.
HARRIS, C. J. (Russell, Durie Kerr, Watson & Co.), Birmingham.
HARRIS, J. L. (Peat, Marwick, Mitchell & Co.), London.
HARRISON, K. F. (Slater, Dominy & Swann), Cambridge.
HAUGHTON, J. G. (Forrester, Boyd & Co.), Grimsby.
HAVENS, D. E. (Newman Ogle, Bevan & Co.), London.
HAYDEN, E. D. (Stokes Bros, & Pim), Dublin.
HAYDON, D. H. (Pannell, Crewdson & Hardy), London.
HAZARD, G. A. (Laverick, Walton & Co.), Sunderland.
HENLEY, B. (Chas. O. Nicholson & Co.), Sunderland.
HENRY, S. R. (James Baird & Co.), Belfast.
HEYS, M. H. (Beal, Young & Booth), Southampton.
*HINE, R. L. (Spain Bros., McNab & Co.), Tunbridge Wells.
HITCHEN, G. (Aked & Allison), Halifax.
HOGAN, J. D. (T. R. Chambers, Halley & Co.), Waterford.
HOLMES, R. (T. H. Douglas & Co.), Sunderland.
HOOLE, D. (Poppleton & Appleby), Sheffield.
HORWOOD, I. A. (Pannell, Crewdson & Hardy), London.
HUGHES, M. H. (Field & Co.), Cardiff.
HULL, R. A. (Geo. Little, Sebire & Co.), London.
HUSTWICK, J. C. (Boyce, Welch & Co.), Bradford.
HUTCHINSON, H. (James Edward & Co.), London.
HYLAND, J. B. (Kirby & Kirby), Cork.

IGHODALO, J. A. (Mason & Co.), London.
ISAACS, B. E. (D. N. Curitz, Littlestone & Co.), Cardiff.

JACKSON, D. (Messenger & Kirkman), Oxford.
JACQUES, I. (R. Smith & Co.), Blackburn.
JAMIESON, J. D. (Clifford Thornton & Harper), Preston.
JEWITT, D. (Smith & Hayward), Bradford.
JOHNSON, D. R. (Newby, Dove & Rhodes), Leicester.
JONES, A. G. (Ashmole, Edwards & Goskar), Swansea.
JONES, L. G. (W. Nicklin & Co.), Manchester.

KEMP, J. S. (E. Kenneth Locking & Co.), Hull.
KENSETT, J. R. (Spain Bros., Dalling & Co.), Btighton.
KENT, R. V. (Allan, Charlesworth & Co.), London.
KING, G. E. (Mellors, Basden & Mellors), Nottingham.
KIRKBRIGHT, D. (Blackburns, Robson, Coates & Co.), Bradford.
KORAM, E. O. (James Magee & Co.), London.
*KROLL, D. (David Kroll & Co.), London.

LAHIRI, A. K. (formerly with N. C. Choudhury), Calcutta.
*LAHIRI, P. K. (formerly with P. K. Mitra & Co.), Calcutta.
LAKE, O. H. (Shipley, Blackburn, Sutton & Co.), London.
LESTER, L. (Stones & Co.), Hinckley.
LEWER, D. S. (Thompson & Wood), Hereford.
LINDENBURN, D. J. (Gordon Thomas & Pickard), Swansea.
LITTLE, B. S. W. (Pelham Plunkett & Co.), Dublin.
LIVESEY, K. F. (Greenhalgh, Son & Dutton), Bolton.
LIVSEY, C. (Ellis & Newall), Pontefract.
LLOYD, A. E. (Myers, Davies & Co.), London.
LOCK, J. W. (Sharp, Parsons & Co.), London.
LOCKE, A. P. (C. L. Dain & Co.), Lichfield.
LOIZOU, G. A. (Auerbach, Hope & Co.), Reading.
LOWE, J. M. (France & Co.), Leeds.
LUBBOCK, A. J. (Larking, Larking & Whiting), Wisbech.

McCALE, D. B. (John Tait & Co.), St. Helens.
McCANN, G. J. (Milne, Gregg & Turnbull), London.
McCARTHY, J. D. (Cooper & Kenny), Dublin.
McGOWAN, S. (Kennedy, Crowley & Co.), Dublin.
McNULTY, C. S. (J. B. O'Shea & Co.), Dublin.
MALKINSON, J. L. (Harmood Banner, Lewis & Mounsey), Liverpool.
MANNERS, N. (Peat, Marwick, Mitchell & Co.), Camborne.
MARKS, A. G. A. (Exchequer & Audit Department), London.
MATTHEWS, R. (Mellors, Basden & Mellors), Nottingham.
METCALFE, R. (Rawlinson, Greaves & Mitchell), Bradford.
MILES, A. L. (Freeman, Sutton & Co.), London.
MILLER, A. J. (Godfrey Laws & Co.), Luton.
MILLS, G. I. (Beal, Young & Booth), Southampton.
MITTLESTRASS, D. A. (Deloitte, Plender, Griffiths & Co.), London.
MOIR, L. G. S. (Harmood Banner, Lewis & Mounsey), Chester.
MOORE, I. O. W. (Crane, Houghton & Crane), London.
MOREHOUSE, A. B. (Hunt, Urwin & Co.), Doncaster.
MOSFORTH, R. T. (Ransom, Harrison & Lewis), Sheffield.
MOTT, A. R. (Croydon & King), London.
MURRAY, R. J. A. (Shipley, Blackburn, Sutton & Co.), London.

NARIELVALA, N. M. (Sinclair, de Mesquita & Co.), London.
NEW, T. A. (Harmood Banner, Lewis & Mounsey), Liverpool.
NEWMAN, H. G. (Carnaby Harrower, Barham & Co.), London.
NEWTON, J. (Sharman & Fielding), Leicester.
NORMAN, G. (Wall & Humphries), Bath.
NUTTER, J. E. (Shuttleworth & Haworth), Manchester.

O'BRIEN, S. D. (Craig, Gardner & Co.), Dublin.
O'KEEFFE, S. F. (T. R. Chambers, Halley & Co.), Waterford.
OLIVER, C. A. (Peat, Marwick, Mitchell & Co.), Camborne.
OSBORN, B. G. (Tunbridge, Lacey & Co.), Lowestoft.
OWEN, H. C. (Wilson, de Zouche & Mackenzie), Liverpool.

PARRY, G. A. (Blease & Sons), Liverpool.
PARTRIDGE, K. (T. E. Lowe & Co.), Wolverhampton.
PASSENGER, R. E. (Billsons, Cullen & Co.), London.
PERRY, P. J. (Rawlinson & Hunter), London.
PETERS, R. J. (Allnutt, Bradfield & Co.), London.
PHILLIPS, P. J. (Burrell, Matthams & Co.), Southend-on-Sea.

PITT, W. H. (McCabe & Ford), Ashford.

RAWLINSON, N. R. (J. K. Douglas & Co.), Liverpool.
REES, M. S. (Arthur Gait, Jones & Co.), Newport, Mon.
ROBERTS, D. G. (H. C. Hopkin), Cardiff.
ROBERTS, J. (Ministry of Pensions and National Insurance), Manchester.
ROBERTSON, J. M. (formerly with John J. Welch & Co.), Kelso.
ROBINSON, J. R. (Daniel Mahony, Taylor & Co.), London.
ROCKALL, D. J. (Audit Department, C.W.S.), Northampton.
ROSENBERG, M. (Scott, Firth & Shaw), Leeds.
ROTHERY, P. (T. C. Squance & Sons), Sunderland.

SANDERS, P. T. D. (James & Sanders), Wellingborough.
SARGON, A. F. J. (Duck, Mansfield & Co.), London.
SCHLESINGER, R. L. (J. H. Barton & Co.), Dublin.
SCOREY, D. (A. J. Palmer & Co.), Gosport.
SCOTT, R. F. (Cooper Brothers & Co.), Kampala, Uganda.
SENGUPTA, S. R. (formerly with G. Basu & Co.), Calcutta.
SHAPLAND, D. F. (W. Stuart Simpson), Newport, Mon.
SHAWCROSS, R. E. N. (C. Percy Barrowcliff & Co.), Middlesbrough.
SHIRT, H. F. (Henry Pell & Co.), Stockport.
SHORROCK, R. (Moore & Smalley), Preston.
SILVER, S. B. (Portlock & Co.), London.
SIMONS, A. (Manners, Elman, Duncan & Co.), London.
SINODOROU, S. G. (Champness, Corderoy, Beesly & Co.), London.
SKILLEN, V. E. (P. O. Diamond), Belfast.
SLOCOMBE, J. C. (Watts, Gregory & Co.), Cardiff.
SMITH, D. G. (Edw. Judson Mills & Co.), London.
SMITH, (Miss) E. (Smailes, Holtby & Gray), Hull.
SMITH, N. L. K. (Angus Scott & Co.), London.
SMITH, T. (Shepherd, Holt & Co.), Leeds.
SOGUNRO, F. O. (Knight, Bland & Co.), Ilford.
SPARKES, J. L. (Bland, Fielden & Co.), Colchester.
STAIRS, B. T. L. (Mitchell & Plummer), Luton.
STANILAND, J. J. (Fuller, Worboys & Co.), Ripley.
STAPLETON, C. G. (Eric Phillips & Co.), London.
STEPHENSON, P. (Hodgson, Harris & Co.), Hull.
STEVENS, G. A. (Moodie, Young & Co.), London.
STRANGE, E. A. (Martin, Farlow & Co.), London.
SUGARMAN, M. A. (Scott, Firth & Shaw), Leeds.
SWANN, A. (Whinney, Smith & Whinney), London.

TAYLOR, E. W. (Ellis & Newall), Pontefract.
TAYLOR, P. D. (Carlisle, Ray & Co.), Nottingham.
THEAKSTON, P. F. (Pinner, Ryley & Co.), Smethwick.
THOMAS, G. C. (Viney, Price & Goodyear), London.
THOMAS, R. A. (H. T. Salmon & Co.), London.
THOMAS, R. S. (Walter Hunter, Bartlett, Thomas & Co.), Newport, Mon.
THOMAS, T. E. (formerly with Hodgson, Harris & Co.), London.
THOMPSON, F. (Barwick, Foster & Co.), Keswick.
THOMPSON, R. S. (Turquand, Youngs & Co.), London.
THORNTON, J. (Baker & Co.), Leicester.
TINGLE, K. E. (Davie, Parsons & Co.), London.
TIPPER, W. H. (Cooper-Parry, Hall, Doughty & Co.), Burton-on-Trent.
TOWELL, R. W. (G. A. Taylor), Wakefield.
TOZE, R. A. (Goodland, Bull & Co.), Tiverton.
TUCKER, K. A. (G. E. Tutte), Bournemouth.

UNDERWOOD, E. J. (Shelvoke, Pickering, Janney & Co.), Birmingham.
UNDERWOOD, R. G. (Moulder & Tyers), Kidderminster.

VITTLE, J. D. (Gerald Holmes & Co.), Plymouth.

WAINWRIGHT, B. F. (Portlock & Co.), London.
WALKER, G. R. (Frank S. Perryman), West Hartlepool.
WALSH, J. C. (Baker, Sutton & Co.), London.
WALTON, G. R. (Nasmith, Coutts & Co.), Manchester.
WANDERS, G. J. (Pannell, Crewdson & Hardy), London.
WARBURTON, D. (A. Hague & Son), Blackpool.
WARD, B. (Hodge & Baxter), Kettering.
WEERASINGHE, R. A. (Fuller, Wise, Fisher & Co.), London.
WELCH, J. R. (H. R. Hands & Co.), Birmingham.
WHEELER, B. (Mason & Son), London.
WHEELER, M. J. (Shipley, Blackburn, Sutton & Co.), London.
WHITE, (Miss) M. C. (H. C. Hopkin), Cardiff.
WHITING, L. G. (W. Rowland Waller & Co.), Southend-on-Sea.
WILCOX, P. J. (Frank Impey & Co.,) Birmingham.
WILD, J. (Alfred Dobson & Co.), Leeds.
WILLIAMS, B. H. (J. Castleman & Co.), Leicester.
WILLIAMS, D. I. (A. I. G. White), Newcastle upon Tyne.
WILLIS, D. H. (Wood, Mair & Co.), Sunderland.
WILSON, R. (Herbert Pepper & Rudland), Birmingham.
WILSON, W. A. (Holden, Howard & Co.), London.
WINSTANLEY, G. A. (John Fairhurst & Tyrer), Wigan.
WORRALL, D. (Brook, Shires & Co.), Leeds.
WRIGHT, B. (T. C. Squance & Son), Sunderland.
WYATT, A. (Button, Stevens & Witty), London.

London and District Society

THE CENTRAL LONDON Discussion Group of the London and District Society of Chartered Accountants meets on the third Wednesday of each month. The subscription is 10s. per annum plus 3s. 6d. per meeting. Those interested in joining should write to the Hon. Secretary, Mr. Stanley Dent, 71 Great Russell Street, W.C.1. Incorporated Accountants will be warmly welcomed.

AT THE LUNCHEON meeting held by the London and District Society of Chartered Accountants on January 13, with Mr. E. K. Wright, M.A., F.C.A., chairman of the District Society, presiding, the principal guest was Sir Edward Boyle, Bt., M.P., Parliamentary Secretary to the Ministry of Education.

Sir Edward said that there had already been many cuts in Government expenditure, although one would not think so from the way some people wrote. He instanced the cuts in food subsidies and the scrapping of the housing subsidy. He thought there could be no real sense in maintaining such subsidies when wage levels were so high. But if the subsidies were drastically reduced or eliminated, the case for family allowances for larger families became stronger rather than weaker. The allowances, being subject to tax, were to the relative advantage of those who paid tax at the lower rates.

Some people would like to see up to 50 per cent. of State-financed pupils at the independent schools, but there were real difficulties. Some of the schools, even some public schools, were not worthy of taking State pupils; others were at the penumbra between good and bad, making it difficult to decide whether they should take the pupils or not. Again, to maintain a pupil at an independent school cost about £400 a year, at a grammar school about £100 a year. It was not easy to decide which pupils should have four times as much spent on them as on others. They had not closed their minds on the subject and the Ministry was thinking hard about it.

Apprenticeship

ON JANUARY 14 there was held in Guildhall, London, a "welcome meeting" of the Chartered Accountant Students' Society of London. The welcome was to the new members of the Students' Society, and especially to those who, as a result of integration, were transferring from the Incorporated Accountant Students' Society of London. More than 600 students were there, hardly a seat in the historic hall being vacant.

The Lord Mayor of London, Sir Denis Truscott, honoured the meeting by attending, in his robe of State, with the City jewel and the City sword. The meeting was under the chairmanship of Sir Harold Gillett, M.C., F.C.A., President of the Students' Society.

The Lord Mayor in his introductory speech said:

"I would like you to know in what admiration I hold anyone in the profession to which you are all aspiring. To me accountancy is in a world of its own, and anything to do with figures—or at least the kinds in which you are interested—frightens the life out of me!

"You are welcoming the members who have recently joined your Society; even more than that you are welcoming those who are transferring to you from the Incorporated Students' Society as a result of the recent integration scheme which, if I may say so, I thoroughly applaud.

"As Lord Mayor I am, what you might call, the head boy as far as the Livery Companies are concerned, and in my lay capacity I have the privilege of being a Past Master of two of them and the Under Warden of a third. It may interest you to know that even now, every year, I have three or four boys apprenticed in my own firm through the Stationers and Newspaper Makers Company, and I act as their master throughout the whole of the period of their indentures. I understand that your body contains the largest number of indentured apprentices in the London area, and though I do believe this to be a fact, I do not like saying it for I am somewhat jealous!

"My Brother Alderman, Sir Harold Gillett, your President, is one of the most respected members of the profession to which you aspire, and he is held in great esteem by all his brethren on the Court of Aldermen. Without giving any secrets away, I think if you put your money on the next Lord Mayor of London being a Chartered Accountant, you might find yourselves in pocket."

Sir Harold Gillett in his address said:

"I have been most embarrassed by the Lord Mayor's remarks, but as he says that he made them in his capacity as a magistrate you must take them at their face value!

"The purpose of this meeting is to welcome and bring into contact with other members of the Students' Society all who have recently joined, especially those who are transferring from the Incorporated Students' Society, to whom we give a very special welcome—I mean that from my heart, and I know that all of us who are connected with the Chartered Accountant Students' Society feel the same way. The numbers here this evening must be regarded as a token. The actual numbers on the books of the combined Students' Societies is somewhere in the region of 7,500.

"The Council of our Institute considered it desirable to unify the accountancy profession in England and Wales as far as is practicable at the present time, by bringing into one body as many as possible of those whose qualifications have been based on examinations of a high standard and a practical experience in the offices of practising accountants, and by providing for the future a unified method of entry into the enlarged body through articled service and the same examinations. So integration marks the coming together of the Institute and the Society, two great bodies who have already established for themselves their own accepted positions as professional bodies in the daily life of the community.

"The actual origin of apprenticeship is unknown. The merchant guilds began about 1170 and were fraternal, religious, for the control of trade and for protection; they were originally confined to the merchant's own town. The craft guilds commenced about 1270, more especially in London with its great port and river facilities and its easy access to the Continent. They were similar to the merchant guilds and provided for the supervision of apprentices, there being three classes of the craft workers: the master, the journeyman and the apprentice. Apprenticeship to a trade became general by 1450, but the guilds, as such, started to decline from about 1500, the general growth of trade having overcome the monopolies of the guilds.

"May I, for a few moments, endeavour to show you how easy is the life of the modern articled clerk, compared with the daily life of his forerunner, the apprentice. You will not believe it, but it is quite true: 'The apprentice shall not unlawfully absent himself from the service of his master day or night. Shall not play at cards, dice, other unlawful games, nor bet nor gamble nor frequent taverns' (*laughter*)—rock 'n' roll is not barred apparently! (*More laughter.*) 'An ill-behaved apprentice'—this was a quotation—'is liable to moderate personal chastisement by his master, and such chastisement will not justify him in leaving his master's service; for it is within a master's rights to chastise his ill-behaved apprentice; but if the apprentice has reason to believe that grievous bodily harm will be inflicted upon him, he will apparently be justified in quitting the service'—so it is just as well to keep a look at the principal's face on Monday morning!—'(A master must exercise this authority himself, he cannot delegate it to another). Where a master, in reasonably correcting his apprentice, happens to occasion his death, it shall be deemed homicide by misadventure.' If that does not show some sort of contrast from modern days, I am very much mistaken.

" 'Craftsmanship' knows no bounds. A true craftsman is always seeking to improve his handiwork, so when you are really drawing up accounts, or whatever it may be, apart from the accuracy of them and the necessity for complying occasionally with the Companies Acts, it is still a matter of craftsmanship; you are preparing a report for clients. You have to do with all the various things of the accountant's daily life: accounts, drawing up reports, reorganisation. Your limitations are your own. The more you read; the more you study those of the past, the great masters of our own profession; the more you listen to people; read financial reports; gather together the tools and the thoughts of other great craftsmen, the more you will progress in your own particular profession.

"During your period as an articled clerk, you will obviously have access to confidential figures and documents, and you must accept again the same responsibilities to your principal and to his client as the apprentice did of old, because you have in your indentures or articles given certain pledges as to your conduct. I mean by that exactly what I have said: we are a profession, we are trusted with certain facts and information; we have got to regard those as a doctor regards the secrets of his patient; they are inviolate in your mind and your heart, they are not to be wantonly talked about or discussed. The whole benefit of our professional standing is the fact that we can keep our mouths shut. You will not be working on your own. Just as the apprentice in the guild had behind him the weight of the guild, so you as an articled clerk and later on if you qualify, will have behind you the weight of your professional body, now to number about 30,000.

"The general policy of the Institute is set out in the booklet *The Place of the Students' Society in the Education of Articled Clerks* (1951) which is now to be revised; in the information booklet of general information; the syllabus of examinations; and the members' handbook."

A vote of thanks to Sir Harold, proposed by Mr. J. P. S. Edge-Partington, A.C.A., was passed with acclamation.

Luncheon at Incorporated Accountants' Hall

Mr. E. Cassleton Elliott, C.B.E., the senior past President of the Society of Incorporated Accountants, and Mrs. Elliott, gave a luncheon to the members of the Council of the Society and their wives, on Thursday, January 16. The luncheon followed what was very probably the last meeting of the Council of the Society. To commemorate Sir Richard's Presidency of the Society, the last in its long history, Mr. E. Cassleton Elliott, on behalf of the Council members, presented Sir Richard Yeabsley, C.B.E., and Lady Yeabsley with a pair of silver candelabra.

Events of the Month

Birmingham

February 18.—"Professional Education," by Mr. Bertram Nelson, C.B.E., J.P., F.C.A. Regent House, St. Philip's Place, Colmore Row, at 6 p.m.

February 19.—Visit to a Colliery in the Cannock Chase. Students' meeting.

February 28.— "Production Volume and Cost—their Relationship," by Mr. E. A. Ward, A.C.W.A. Students' meeting. 36 Cannon Street, at 6 p.m.

March 7.—"Estate Duty," by Mr. K. S. Carmichael, A.C.A. Students' meeting. 36 Cannon Street, at 6 p.m.

March 13.—Annual Dinner, Grand Hotel.

March 21.—"The Changing Law of Contract," by Mr. B. Calwell. 36 Cannon Street, at 6 p.m.

Blackpool

February 28.—"Kalamazoo Accounts System." Students' evening Lecture. Palatine Hotel, Central Promenade.

February 28.—Students' annual general meeting. Palatine Hotel, Central Promenade at 12.45 p.m.

Bournemouth

February 21.—"Inflation," by Mr. M. Lickiss, B.SC.(ECON.). Students' meeting. Grand Hotel, Fir Vale Road, at 4.30 p.m.

February 28.—Students' Annual Dance. Grand Hotel, Fir Vale Road.

March 18.—"Income Tax—Schedule D Assessments," by Mr. A. W. Miles, F.C.A. Students' meeting. Grand Hotel, Fir Vale Road, at 6 p.m.

Bradford

February 21.—Lecture and film show on Hollerith Accounting Machines, by the British Tabulating Machine Co. Ltd. Students' meeting. Midland Hotel, at 4.30 p.m. and 6.15 p.m.
February 27.—"Bankruptcy," by Mr. A. B. Mitchell, LL.B. Midland Hotel, at 6.15 p.m. Students' meeting.
March 4.—"Economics," by Mr. J. Hall. Midland Hotel, at 6.15 p.m. Students' meeting.
March 11.—"Branch Accounts," at 4.30 p.m. "Verification of a Balance Sheet," at 6.15 p.m. Both lectures by Mr. R. Glynne Williams, F.C.A., F.T.I.I. Midland Hotel. Students' meeting.
March 19. — "Executorship — Apportionments," at 4.30 p.m. "Consolidated Accountants," at 6.15 p.m. Both lectures by Mr. K. S. Carmichael, A.C.A. Students' meetings. Midland Hotel.

Brighton

February 22.—"Schedule A, Schedule D (Case VI) and Surtax," by Mr. D. B. Evans, A.C.A. Final students' meeting. Technical College Annexe, 7 St. George's Place, at 10.30 a.m.
March 1.—"Special Considerations in Different Kinds of Audits," by Mr. R. S. Waldron, F.C.A. Intermediate students' meeting. Technical College Annexe, 7 St. George's Place, at 10.30 a.m.
March 8.—"Income Tax—Losses," by Mr. D. C. Farthing, A.C.A. Joint students' meeting. Technical College Annexe, 7 St. George's Place, at 10.30 a.m.
March 15.—"Distribution to Beneficiaries—Hotchpot and Abatement," by Mr. R. Glynne Williams, F.C.A. Joint students' meeting. Technical College Annexe, 7 St. George's Place, at 10.30 a.m.
March 22.—"Some Practical Points on Goodwill," by Mr. R. J. Carter, B.COM., F.C.A. Joint students' meeting. Technical College, 7 St. George's Place, at 10.30 a.m.

Bristol

February 20.—Taxation discussion group, at the invitation of the Association of H.M. Inspectors of Taxes. Crown and Dove Hotel, Bridewell Street, at 6 p.m.
February 21.—"Insurance for a Business," by Mr. W. W. R. Hill, F.C.I.I. and "Bankers and Business," by Mr. E. K. Cartwright. Students' meeting. Room 28, Bristol University, at 2.30 p.m. and 3.30 p.m.
February 28.—"Apportionments, including treatment of in writing up problems," and "Partnership Assessments, including the treatment of losses," by Mr. L. J. Northcott, F.C.A. Final students' meeting. Room 28, Bristol University, at 2.30 p.m. and 3.30 p.m.
March 7.—"The Finance Problems of the Family Company," by Mr. A. R. English, A.C.A. Royal Hotel, (Room 45), at 5.45 p.m.
March 14.—"Examinations," by Mr. P. F. Carpenter, F.C.A., Chairman of the Examination Committee at the Institute. At 2.30 p.m. Annual General Meeting, at 4 p.m. Students' meetings. Room 28, Bristol University.
March 21.—"Estate Duty Reliefs," by Mr. A. C. C. Oddie, F.C.A., and "Incomplete Records Questions in the Examination," by Mr. S. V. P. Cornwell, M.C., M.A., F.C.A. Intermediate students' meeting. Room 28, Bristol University, at 2.30 p.m. and 3.30 p.m.

Burton

March 15–21.—Joint Residential Course (Manchester and Liverpool Societies). Burton Manor.

Cambridge

March 19.—"Economics," by a Lecturer from the University. "Current Financial Problems — Government Finance, The Credit Squeeze, Interest Rates, etc.," by Mr. A. R. Ilersic, M.SC.(ECON.), B.COM. Students' meetings. Lion Hotel, at 11.30 a.m. and 2.30 p.m.
March 19.—"Economics from an Examinee's Point of View," by Mr. A. R. Ilersic, M.SC.(ECON.), B.COM. Shire Hall, at 7.15 p.m.

Cardiff

February 21.—"Bankers and Banking," by Mr. W. H. Howells. Students' meeting. The South Wales Institute of Engineers, Park Place, at 2 p.m.
February 22.—"Courts of Law and Procedure," by Mr. D. Walters. Students' meeting. South Wales Institute of Engineers, Park Place, at 9.30 a.m.
February 28.—"Verification of Assets and Liabilities," by Mr. V. S. Hockley, B.COM., C.A. Students' meeting. South Wales Institute of Engineers, Park Place, at 2 p.m.
March 1.—"An Auditor of a Limited Company," by Mr. V. S. Hockley, B.COM., C.A. Students' meeting. South Wales Institute of Engineers, Park Place at 9.30 a.m.
March 7.—"Total Accounts, Incomplete Records and Income and Expenditure Accounts," by Dr. G. Thomas. Students' meeting. South Wales Institute of Engineers, Park Place at 2 p.m.
March 8.—"Formation of Contracts," by Mr. D. Walters. Students' meeting. South Wales Institute of Engineers, Park Place, at 9.30 a.m.
March 14.—"Company Accounts," by Mr. L. N. Northcott, F.C.A. Students' meeting. South Wales Institute of Engineers, Park Place, at 2 p.m.
March 15.—"Executorship—Statutory and Equitable Apportionments," by Mr. M. Phillips. Students' meeting. South Wales Institute of Engineers, Park Place, at 9.30 a.m.
March 21.—"Bankruptcy," by Mr. Chater. Students' meeting at the South Wales Institute of Engineers, Park Place, at 2 p.m.
March 22.—"Invalid and Defective Contracts," by Mr. D. Walters. Students' meeting. South Wales Institute of Engineers, Park Place, at 9.30 a.m.

Chester

March 14.—Annual General Meeting followed by Annual Dinner. Blossoms Hotel.

Colchester

February 27.—"Investigation on behalf of the purchaser of a business," by Mr. A. C. Simmonds, F.S.A.A. Joscelin Café, High Street, at 7 p.m.*

Coventry

February 17.—"The Accounts of an Executor," by Mr. P. E. Harris, A.S.A.A. Students' meeting. "Golden Cross," Hay Lane, at 6 p.m.
March 6.—"Management Accounting," by Mr. H. W. Holt, A.C.A. Chace Hotel, London Road, at 12.45 p.m.

Derby

February 18.—To be arranged. Midland Hotel, at 6.15 p.m.
March 11.—Annual General Meeting.

Exeter

February 20.—"Legal Topics," by Mr. R. D. Penfold LL.B., A.C.I.S. The County Hotel, at 6.15 p.m.
March 20.—"Auditing," by Mr. W. W. Bigg, F.C.A. Students' meeting. Imperial Hotel, at 2.30 p.m.

Gloucester

March 21.—"Recent Changes in Commercial Law," by Mr. R. D. Penfold, LL.B., A.C.I.S. Gloucester Technical College, Brunswick Road, at 6.30 p.m.

Grimsby

February 17.—Luncheon. Speaker Mr. W. J. Savage on "The History of the Enrolled Freemen of Grimsby." Royal Hotel, at 1 p.m.
February 20.—"Machine Accounting," by Mr. J. A. Pernyes, A.A.C.C.A. Students' meeting. Offices of the Chamber of Commerce, 77 Victoria Street, at 7.30 p.m.
March 13.—"General Commercial Knowledge," by Mr. C. R. Curtis, M.SC.(ECON.), PH.D., F.C.I.S. Students' meeting. Offices of the Chamber of Commerce, 77 Victoria Street, at 7.30 p.m.

Hastings

February 22.—"Electro-mechanical and Electronic Accounting Equipment and its Application." The British Tabulating Machine Co. Ltd. (Hollerith). Also showing their new film, "20th Century Touch." Students' meeting. Chatsworth Hotel, Carlisle Parade, at 10.15 a.m.
March 1.—"Organisation and Methods," by Mr. H. Johnson, A.C.A. Students' meeting. Chatsworth Hotel, Carlisle Parade, at 10.45 a.m.
March 8.—"Partnership Accounts and Valuation of Goodwill," by Mr. H. A. Astbury, F.C.A. Students' meeting. Chatsworth Hotel, Carlisle Parade, at 10.45 a.m.
March 15.—"Lloyds," by Mr. A. C. Dabbs, F.S.A. Students' meeting. Chatsworth Hotel, Carlisle Parade, at 10.45 a.m.
March 22.—"General Principles of Double Taxation Relief," by Mr. C. H. Kohler, F.C.A. Students' meeting. Chatsworth Hotel, Carlisle Parade, at 10.45 a.m.

Huddersfield

March 11.—"Profit Sharing," by Mr. E. Duncan Taylor, F.C.A. George Hotel at 6.15 p.m.

Hull

February 20.—"Flotations and Prospectuses," by Mr. C. R. Curtis, M.SC., PH.D.,

* Under the auspices of an Incorporated Accountants' District or Students' Society.

F.C.I.S. Students' meeting. Church Institute, Albion Street, at 6.15 p.m.*
February 25.—Visit to the Costing Department of T. J. Smith & Nephew Ltd.*
February 27.—"The Auditor's Duties," Lecturettes, by Mr. E. G. Chadwick, A.C.A., Mr. D. C. Stuart Downs, F.C.A. and Mr. R. G. Slack, M.A., F.C.A. Students' meeting. Imperial Hotel, Paragon Street, at 6.15 p.m.
March 13.—"Costing," by Mr. G. Tattersall-Walker, A.C.A. Students' meeting. Imperial Hotel, Paragon Street, at 6.15 p.m.
March 14.—"Hire Purchase Law, Accounts and Audit," by Mr. H. Simpson Cook. Students' meeting. Church Institute, Albion Street, at 6.15 p.m.*

Leeds

February 27.—"Profits Tax" and "Valuation for Estate Duty" by Mr. H. A. R. J. Wilson, F.C.A. Students' meetings. Great Northern Hotel, at 4.30 p.m. and 6 p.m.
March 4.—"The European Free Trade Area" by Mr. A. J. Ward. Students' meeting. Great Northern Hotel, at 6 p.m.

Leicester

February 14.—"Executorship III," "Statutory and Equitable Apportionments," by Mr. D. A. Lewis. Students' meeting. Bell Hotel, Humberstone Gate, at 6 p.m.
February 21.—"Cost Accounts—Budgetary Control," by Mr. C. R. Curtis, M.SC.(ECON.), PH.D., F.C.I.S. Students' meeting. Bell Hotel, Humberstone Gate, at 6 p.m.
February 25.—Students' Dance. Grand Hotel.
February 28.—"Branch Accounts," by Mr. R. J. Carter, B.COM., F.C.A. Students' meeting. Bell Hotel, Humberstone Gate, at 6 p.m.
March 7.—Quiz—Panel of Inspectors and Chartered Accountants. Bell Hotel.
March 14.—"Management Accounting," by Mr. V. S. Hockley, B.COM., C.A. Students' meeting. Bell Hotel, Humberstone Gate, at 6 p.m.

Liverpool

February 17.—Extraordinary General Meetting. The Library, 5 Fenwick Street, at 5.30 p.m. "Recruitment and Training for the Profession," discussion led by Mr. W. E. Parker, C.B.E., F.C.A. The Library, at 5.45 p.m.
February 20.—"Whether to Stay in Practice or go into Industry," argued by Mr. J. F. Allan, F.C.A., and Mr. C. J. Peyton, A.C.A. Students' meeting. Library, 5 Fenwick Street, at 5 p.m.
February 27.—Students' Seventy-fifth Anniversary Dinner. The Exchange Hotel.
March 6.—"The Value of Law and Lawyers," by Mr. B. Frazer Harrison. Students' meeting. Library, 5 Fenwick Street, at 5 p.m.
March 12.—Industrial Discussion Group Meeting. Exchange Club, at 5.30 p.m.
March 14.—Visit to the North Western Gas Board. Students' meeting. Radiant House.

London

February 17.—"Fundamentals of Auditing," by Mr. F. R. Porter, F.C.A., A.C.W.A. Students' introductory lecture. Incorporated Accountants' Hall, at 5.15 p.m.
February 18.—"Basic Principles of Double Entry and Accounting Systems," by Mr. R . J. Carter, B.COM., F.C.A. "The Law and its Branches," by Mr. F. W. Medd, Barrister-at-Law. Students' introductory lectures. Incorporated Accountants' Hall, at 5.15 p.m.
February 18.—"Latest Developments in Bids and Deals," by Mr. R. G. Middleton. The Chartered Insurance Institute, 20 Aldermanbury, E.C.2, at 6 p.m.
February 19.—"Dangerous sports should be discouraged," with commentary and summary by Miss H. M. Taylor. Students' practice debate. Council Chamber, The Institute of Chartered Accountants in England and Wales, at 5.30 p.m.
February 19.—Central London Discussion Group. "Loss of Profits Insurance," introduced by Mr. R. G. Howard. The Lamb and Flag, 33 Rose Street, Covent Garden, W.C.2, at 6 p.m.
February 21.—"Do it Yourself—with Machines," by Mr. J. D. Green, F.C.A. Students' meeting. Chartered Insurance Hall, at 5.30 p.m.
February 24.—"The Nature of the Items in a Profit and Loss Account and Balance Sheet," by Mr. F. R. Porter, F.C.A., A.C.W.A. Students' introductory lecture. Incorporated Accountants' Hall, at 5.15 p.m.
February 25.—"The Taxation System," by Mr. F. R. Porter, F.C.A., A.C.W.A. "The Ownership and Control of a Business," by Mr. P. W. Medd, Barrister-at-Law. Students' introductory lectures. Incorporated Accountants' Hall, at 5.15 p.m.
February 28.—"The Law on Professional Negligence," by Mr. J. P. Eddy, Q.C. Students' meeting. Beaver Hall, at 5.30 p.m.
March 3.—"The Conduct of a Typical Case in the Courts," by Mr. J. R. Phillips, Barrister-at-Law. Students' introductory lecture. Incorporated Accountants' Hall, at 5.15 p.m.
March 4.—"Records Leading to the Items in Final Accounts," by Mr. F. R. Porter, F.C.A., A.C.W.A. "Partnership Law," by Mr. P. W. Medd, Barrister-at-Law. Students' introductory lectures. Incorporated Accountants' Hall, at 5.15 p.m.
March 5.—"This House has No Sympathy with Those who Go on Strike." Students' debate. Students' Society Library, at 5.30 p.m.
March 5.—Taxation Discussion Group meeting. Incorporated Accountants' Hall, at 6 p.m.*
March 7.—"What are you Training For?" Speakers, Mr. Hugh T. Nicholson, F.C.A. and Mr. W. S. Hayes, A.C.A. Students' meeting. Beaver Hall, at 5.30 p.m.
March 10.—"Company Law," by Mr. P. W. Medd, Barrister-at-Law. Students' introductory lecture. Incorporated Accountants' Hall, at 5.15 p.m.
March 11.—"The Financial Outlook," by Mr. R. F. Harrod, F.B.A. The Chartered Insurance Institute, E.C.2, at 6 p.m.
March 11.—"Income Tax—General Introduction," by Mr. J. Kennedy Melling, A.C.A., A.T.I.I., F.R.ECON.S. "The Law of Banking," by Mr. P. W. Medd, Barrister-at-Law. Students' introductory lectures. Incorporated Accountants' Hall, at 5.15 p.m.
March 12.—Management Group meeting. Incorporated Accountants' Hall, at 6 p.m.*
March 12.—City Discussion Group. Cock and Bottle, Laurence Pountney Hill, Cannon Street, E.C.4, at 6 p.m.
March 14.—"Drafting a Finance Bill," by Mr. J. S. Fiennes, C.B., Barrister-at-Law (Parliamentary Counsel to the Treasury). Students' meeting. Beaver Hall, at 5.30 p.m.
March 17.—"Bankruptcy, Liquidation and Receivership," by Mr. A. C. Staples. Students' introductory lecture. Incorporated Accountants' Hall, at 5.15 p.m.
March 18.—"Taxable Income," by Mr. J. Kennedy Melling, A.C.A., A.T.I.I., F.R.ECON.S. "The Law of Agreements and Damages," by Mr. A. C. Staples. Students' introductory lectures. Incorporated Accountants' Hall, at 5.15 p.m.
March 19.—"This House supports the principle of equal pay for women." Students' debate. Council Chamber, Institute of Chartered Accountants in England and Wales, at 5.30 p.m.
March 21.—Mock Income Tax Appeal. Students' meeting. Beaver Hall, at 5.30 p m.

Luton

March 10.—"Law relating to the Sale of Goods" by Mr. R. D. Penfold, LL.B., Barrister-at-Law. Students' meeting. Chamber of Commerce, at 5.30 p.m.

Lyndhurst

March 21.—Ladies' Night. Dinner and Dance. Grand Hotel.

Manchester

February 20.—"Income Tax Schedule D, Cases I and II: Allowable Deductions," by Mr. T. L. Crispin, A.C.A. Students' meeting. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.
February 22.—"Executorship Accounts (III)," and "General Commercial Knowledge," by Mr. H. C. Cox, F.C.A. Intermediate students' lectures. Onward Hall, 207 Deansgate, at 9.30 a.m. and 11 a.m.
February 22.—"Surtax," and "Valuation of Shares," by Mr. H. B. Vanstone, F.C.A. Final students' lectures. 46, Fountain Street, at 9.30 a.m. and 11 a.m.
February 27.—"Work Study and its Impact on the Work of a Chartered Accountant," by Mr. Denis Phillips. Students' meeting, Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.
March 1.—"Principles of Cost Accounting and their Application (I) and (II)," by Mr R. A. Pitt, M.A., A.C.A., A.C.W.A. Intermediate students' lectures. Onward Hall, 207 Deansgate, at 9.30 a.m. and 11 a.m.
March 1.—"Auditing (III) and (IV)," by Mr. T. W. E. Booth, F.C.A. Final students' lectures. 46, Fountain Street, at 9.30 a.m. and 11 a.m.
March 6.—Students' Seventy-fifth Anniversary Dinner, Midland Hotel.
March 8.—"General Commercial Knowledge (III) and (IV)," by Mr. S. Wild, A.I.B.

Intermediate students' lectures. Onward Hall, 207 Deansgate, at 9.30 a.m. and 11 a.m.
March 8.—"Bankruptcy Law," and "English Law: Revision," by Mr. J. C. Wood, LL.M. Final students' meeting. 46 Fountain Street, at 9.30 a.m. and 11 a.m.
March 17.—"The Fight Against Inflation," by Mr. W. Manning Dacey, B.SC. (ECON.), Economic Adviser, Lloyds Bank Ltd., London. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.
March 20.—"Making a Will," mock meeting between Mr. N. C. O'Brien, Solicitor, Mr. D. R. Brooks, B.A.(COM.), A.C.A., and a Testator. Students' meeting. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.
March 21-24.—Joint Residential Course (Manchester and Liverpool Societies). Hulme Hall, Victoria Park.
March 22.—"Company Accounts (I) and (II)," by Mr. H. C. Cox, F.C.A. Intermediate students' lectures. Onward Hall, 207 Deansgate, at 9.30 a.m. and 11 a.m.
March 22.—"Auditing (V) and (VI)," by Mr. T. W. E. Booth, F.C.A. Final students' lectures. 46 Fountain Street, at 9.30 a.m. and 11 a.m.

Newcastle upon Tyne

February 26.—"Mechanised Accounting and the Auditor," by Mr. W. W. Bigg, F.C.A. Students' meeting. Lecture Theatre, Neville Hall, Westgate Road, at 2.15 p.m.
February 26.—Students' Annual Dinner. The County Hotel, Neville Street.
February 27.—"Rights, Duties and Liabilities of the Auditor," by Mr. W. W. Bigg, F.C.A. Students' meeting. Lecture Theatre, Neville Hall, Westgate Road, at 2.15 p.m.
February 28.—Luncheon. County Hotel
March 13—"The Accountant in Industry," by Mr. J. Phillips, A.C.W.A. Students' meeting. Lecture Theatre, Neville Hall, Westgate Road, at 6 p.m.
March 20.—"Economics and Financial Knowledge," by Mr. A. R. Ilersic, M.SC. (ECON.), B.COM. Students' meeting. Lecture Theatre, Neville Hall, Westgate Road, at 6 p.m.

Norwich

February 20.—"Taxation," by Mr. H. A. R. J. Wilson, F.C.A. Royal Hotel, at 7 p.m.*

Nottingham

February 19.—Balloon Debate. Students' meeting. Elite Cinema, Parliament Street, at 5.30 p.m.
February 20.—Hockey match *v.* Leicester (A).
February 26.—"Machine Accounting for the Small Business." Burroughs Adding Machine Ltd. Students' meeting. Elite Cinema, Parliament Street, at 5.30 p.m.
March 5.—Students' visit to Machine Accounting Installations.
March 12.—"Receivership," by Mr. W. Colley, Assistant Official Receiver. Students' meeting. Elite Cinema, Parliament Street, at 5.30 p.m.
March 19.—"Statutory Apportionments" and "Equitable Apportionments," by Mr. H. A. R. J. Wilson, F.C.A. Students' meeting. Elite Cinema, Parliament Street, at 5.30 p.m.

Oxford

February 20.—"Accountants' Work in Industry," by Mr. J. S. Kean, C.A. Students' meeting. Forum Restaurant, High Street, at 6.30 p.m. Preceded by film and talk on Punched Card Accounting, by Powers Samas Ltd., at 4.45 p.m.
March 11.—"Insolvency Practice." Students' meeting. Kemp Restaurant, Broad Street, at 6.30 p.m.

Preston

February 22.—"Auditing (IV) and (V)," by Mr. J. C. F. Bolton, B.A.(COM.), A.C.A. Intermediate students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
February 22.—"Consolidated Accounts (II) and (III)," by Mr. R. Y. Taylor, B.A., A.C.A. Final students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
February 26.—Works visit to the *Manchester Guardian* newspaper. Students' meeting.
March 1.—"Principles of Cost Accounting and their Application (I) and (II)," by Mr. E. A. Ward, A.C.W.A. Intermediate students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
March 1.—"Surtax" and "Valuation of Shares," by Mr. H. B. Vanstone, F.C.A. Final students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
March 8.—"Executorship Accounts (III)" and "Commercial Knowledge (II)," by Mr. H. C. Cox, F.C.A. Intermediate students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
March 8.—"Auditing (III) and (IV)," by Mr. T. W. E. Booth, F.C.A. Final students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
March 12.—Rugby match with the Preston Law Debating Society.
March 22.—"General Commercial Knowledge (III) and (IV)," by Mr. S. Wild, A.I.B. Intermediate students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.
March 22.—"Bankruptcy Law" and "English Law: Revision," by Mr. J. C. Wood, LL.M. Final students' lectures. Reform Club, Chapel Street, at 10 a.m. and 11.15 a.m.

Reading

February 28.—"Government Accounting and Organisation," by Mr. H. O. H. Coulson, F.C.A. Berkshire Club, Glagrave Street, at 6.45 p.m.

St. Helens

March 4.—Afternoon visit to Pilkington Bros. Ltd., Glass Manufacturers. Students' meeting.

Sheffield

February 25.—"Stock Exchange Transactions," by Mr. H. C. Nicholson, F.C.A. Students' meeting. Grand Hotel, at 6 p.m.
March 7.—"The Design of Accounts," by Mr. David D. Rae Smith, F.C.A. Students' meeting. Grand Hotel, at 5.30 p.m.
March 17.—"European Free Trade and the Common Market," by The Rt. Hon. the Lord Riverdale of Sheffield, J.P. Students' meeting by invitation of the Chartered Institute of Secretaries. Grand Hotel, at 6.30 p.m.
March 18.—"Limited Company Assessment under Schedule D," and "Taxation Losses," by Mr. K. S. Carmichael, A.C.A. Students' Meeting. Grand Hotel at 4.30 p.m. and 5.30 p.m.

Southampton

February 21.—"Partnership Changes and Losses," by Mr. B. J. Westwood, A.C.A. Students' meeting. Polygon Hotel, at 6.30 p.m.
March 6.—"Did I make a Contract?" by Mr. D. McCarraher, M.A. Students' meeting. Polygon Hotel, at 6.30 p.m.
March 20.—Visit to Leicester Lovell Ltd., Baddesley, to see Punched Card Accounting Installation. Students' meeting.

Stockton

February 25.—"The Correct Approach to Verification," by Mr. W. W. Bigg, F.C.A. Students' meeting. Black Lion Hotel at 6 p.m.

Stoke-on-Trent

February 18.—"Banking," by Mr. W. C. Beal. Students' meeting. Basford Lawn Tennis Club.
February 25.—"Back Duty Penalties and Settlements," by Mr. J. W. Walkden, F.C.A.
March 11.—"Machine Accounting," by The National Cash Register, Ltd. Students' meeting. Basford Lawn Tennis Club.

Swansea

February 22.—"Liquidation," by Mr. R. D. Penfold, Barrister-at-Law. Students' meeting. Y.M.C.A., The Kingsway, at 10 a.m.
February 28.—"Partnership Assessments," by Mr. P. E. Whitworth, Barrister-at-Law. Students' meeting. Lovell's Café, St. Helen's Road, at 4.30 p.m.
March 5.—"A Fire Officer's Experiences," by Mr. W. F. Redman. Students' luncheon meeting. The Brockley, St. Helen's Avenue, at 1 p.m.
March 12.—"A Review of the 1948 Companies Act," by Mr. John M. Higginson, A.C.A. Mackworth Hotel, at 6.45 p.m.
March 15.—"Investigations," by Mr. A. C. Simmonds, F.S.A.A. Students' meeting. Y.M.C.A., The Kingsway, at 10 a.m.
March 21.—"Financial and Accounting Control of a Large Company," by Mr. R. P. Tovey, A.C.A. Students' meeting. Lovell's Café, St. Helen's Road, at 4.30 p.m.

Taunton

February 20.—"Legal Topics," by Mr. R. D. Penfold, Barrister-at-Law. County Hotel, at 2.30 p.m.

Wolverhampton

February 24.—Social evening with local Inland Revenue Officers. Midland Hotel.

Elections to Fellowship and Admissions as Associates

THE FOLLOWING IS a list of Associates elected to Fellowship and applicants admitted to membership at the Council meeting held on January 8, 1958, who completed their Fellowship or membership before January 21, 1958.

Associates elected Fellows

ALDRED, HUGH, M.A.; 1950, A.C.A.; (E. Noel Humphreys & Co.), 9/11 Old Bank Buildings, Eastgate, Chester.

ARNFIELD, ALAN GEOFFREY; 1944, A.C.A.; (Bedell & Blair), 79 Mosley Street, Manchester 2.

BARRETT, GEORGE ERIC; 1950, A.C.A.; (*Jas. A. Hulme & Co.), 18 Lloyd Street, Albert Square, Manchester 2.

BICKERTON, GEOFFREY MAYSON; 1949, A.C.A.; (Royce, Peeling, Green & Co.), 18 Lloyd Street, Manchester 2.

BOOTH, THOMAS NORMAN; 1939, A.C.A.; (*Hope, Halstead & Co.), 3 Manchester Road, Bury.

ELPHICK, JOHN OSCAR; 1950, A.C.A.; (Gane, Jackson, Jefferys & Freeman), City Gate House, Finsbury Square, London, E.C.2.

FINLAY, PHILIP; 1951, A.C.A.; (P. Finlay & Co.), 68 High Road, Leyton, London, E.15.

GEORGE, RONALD FRANCIS, T.D.; 1932, A.C.A.; (†Deloitte, Plender, Griffiths & Co.), 5 London Wall Buildings, Finsbury Circus, London, E.C.2; (for other towns see †Deloitte, Plender, Griffiths & Co., *Deloitte, Plender, Griffiths & Co., and *Deloitte, Plender, Haskins & Sells).

GREEN, ROY KENNETH; 1950, A.C.A.; (J. B. Boyd, Wrigley & Co.), 55 Brown Street, Manchester 2, and at Buxton.

HARDY, JOHN WILLIAM; 1930, A.C.A.; (*Hardy, Newsum-Smith & Co.), Russell Place, Talbot Street, Nottingham.

HOWIE, EDWIN COULSON; 1932, A.C.A.; (Ridley & Ridley), 12 Windsor Terrace, Newcastle upon Tyne 2.

HOYTE, WILLIAM NORMAN; 1930, A.C.A.; (A. L. & S. Honey), 3 Palace Gate, Exeter.

HULME, LESLIE JAMES; 1932, A.C.A.; (*Jas. A. Hulme & Co.), 18 Lloyd Street, Albert Square, Manchester 2.

KING, HAROLD ANTHONY HALLORAN; 1949, A.C.A.; (Thorne, Widgery & King), 13 Castle Street, Brecon, and at Builth Wells.

MAY, ERIC JOHN RUTTON; 1952, A.C.A.; (†Tansley Witt & Co.), 22/24 Ely Place, London, E.C.1.

NEWTON, JOSEPH DUNCAN DRIVER, B.COM.; 1940, A.C.A.; (Gane, Jackson, Jefferys & Freeman), City Gate House, Finsbury Square, London, E.C.2.

ODDIE, ARTHUR CHARLES CROSFIELD; 1932, A.C.A.; (Curtis, Jenkins, Cornwell & Co.), 44 Corn Street, Bristol 1, and at Newport (Mon.).

PALMER, PETER HARWOOD; 1952, A.C.A.; (*Prior & Palmer), General Buildings, Bridlesmith Gate, Nottingham.

PAUSEY, KENNETH JOHN; 1951, A.C.A.; (K. J. Pausey & Co.), Adam House, 1 Fitzroy Square, London, W.1.

† Against the name of a firm indicates that the firm, though not wholly composed of members of the Institute, is composed wholly of chartered accountants who are members of one or the other of the three Institutes of chartered accountants in Great Britain and Ireland.
* Against the name of a film indicates that the firm is not wholly composed of members of one or the other of the three Institutes of chartered accountants in Great Britain and Ireland.
Firms not marked † or * are composed wholly of members of the Institute.

PRICE, LYNTON MORGAN; 1933, A.C.A.; (E. Noel Humphreys & Co.), 9/11 Old Bank Buildings, Eastgate, Chester.

RENDELL, PETER FAIRFAX, M.A.; 1952, A.C.A.; (Curtis, Jenkins, Cornwell & Co.), 44 Corn Street, Bristol 1, and at Newport (Mon.).

REYNOLDS, JAMES JULIUS SAUL; 1951, A.C.A.; (James Reynolds), 3 Great James Street, Bedford Row, London, W.C.1, and at Stanmore.

SMITH, ALFRED; 1949, A.C.A.; 98 St. James Road, Northampton.

STRODE, PHILIP HORSLEY; 1950, A.C.A.; (Williams, Stoker & Co.), 9 Bedford Row, London, W.C.1.

TURNER, FRANK HILDRED; 1927, A.C.A.; (J. S. Streets & Co.), Newland Chambers, Beaumont Fee, Lincoln.

WEAVER, WILLIAM RONALD GERRARD; 1930, A.C.A.; (Russell & Mason), 139 Temple Chambers, Temple Avenue, London, E.C.4.

WHIPP, WALTER BURTON; 1950, A.C.A.; (J. B. Boyd, Wrigley & Co.), 55 Brown Street, Manchester, 2, and at Buxton.

WILKINSON, LAWRENCE ROWLAND; 1948, A.C.A.; (Bedell & Blair), 79 Mosley Street, Manchester 2.

WYCHERLEY, GRAHAM ST. CLAIR; 1952, A.C.A.; (Muras & Co.), 49 Queen Street, Wolverhampton.

Admitted as Associates
(Not in Practice)

DOBSON, IAN JOSEPH HILTON, 5 Beechfield Road, Gosforth, Newcastle upon Tyne 3.

FINCH, MICHAEL HENRY AINSWORTH, M.A.; 442 Glossop Road, Sheffield 10.

HORTON, JOHN ROLFE, 164A, Haverstock Hill, Hampstead, London, N.W.3.

JONES, WILLIAM RUSSELL, 2 Brooklyn Cottages, Fyfield, Andover, Hants.

Institute Examinations

THE NEXT EXAMINATIONS will be held as follows:

Preliminary—May 13, 14, 15 and 16, 1958.

Intermediate—May 20, 21 and 22, 1958.

Final—May 27, 28, 29 and 30, 1958.

The Preliminary Examination will be held in London and Manchester. Entry fee £4 4s. 0d.

The Intermediate and Final Examinations will be held in London, Birmingham, Leeds, Liverpool and Manchester. The entry fee for the Intermediate examination is £5 5s. 0d. and for the Final Examination £6 6s. 0d.

The prescribed examination entry form, together with the appropriate fee, must be received at the Institute *not later than 35 days* before the commencement of any examination. The *last day* on which an examination entry form can be *received* at the Institute is stated below. *Late entries cannot be accepted.*

Preliminary Examination—last day April 8, 1958.

Intermediate Examination—last day April 15, 1958.

Final Examination—last day April 22, 1958.

Candidates are advised in their own interests to submit their entry forms *as soon as possible.* Entry forms may be obtained from the Secretary of the Institute, Moorgate Place, London, E.C.2.

Society Examinations

THE MAY, 1958, examinations of the Society of Incorporated Accountants (in voluntary liquidation) are being conducted by the English, Scottish and Irish Institutes and will be held on the following dates:

Intermediate—May 14, 15, and 16, 1958.

Final—May 13, 14, 15 and 16, 1958.

The centres will be Belfast, Birmingham, Cardiff, Dublin, Glasgow, Leeds, Liverpool, London, Manchester and Newcastle upon Tyne.

The closing date for the receipt of applications is March 20, and in no circumstances will an application received after that date be accepted.

Application forms for Society candidates seeking membership of the English Institute can now be obtained only from Incorporated Accountants' Hall, Temple Place, Victoria Embankment, London, W.C.2. Those seeking membership of the Scottish or Irish Institute should apply to the secretary of the appropriate Institute for an entry form.

Personal Notes

The practices of F. Arthur Pitt & Co., Chartered Accountants, Manchester, Womersley & Tweedale, Chartered Accountants, Manchester, and Greenhalgh, Sons & Dutton, Chartered Accountants, Bolton, have been amalgamated. The combined practices are being carried on under the three firm names at 14 John Dalton Street, Manchester 2, and 20 Acresfield, Bolton. Mr. Vaughan Dalley, A.C.A., who has been associated with Messrs. F. Arthur Pitt & Co. for twenty-five years, has been admitted to the new partnership.

Lt.-Col. P. F. Benton Jones, O.B.E., M.A., A.C.A., managing director (mining and carbonisation) of the United Steel Companies Ltd., has been appointed a director of its branch company, Samuel Fox & Co. Ltd.

Messrs. Moores, Carson & Watson, Chartered Accountants, Glasgow, London and Liverpool, announce that they have assumed as a partner Mr. G. A. Anderson, C.A., who received his training with them. Mr. Anderson will be resident in Glasgow.

Removals

Mr. N. C. Choudhury, B.SC., F.S.A.A., F.C.A.(INDIA) has removed his office to 5 & 6 Hare Street, Calcutta, 1.

Messrs. J. Sloan & Co., Incorporated Accountants, have removed to 67 Lord Street, Liverpool 2.

Classified Advertisements

Two shillings and sixpence per line (average seven words). Minimum ten shillings. Box numbers one shilling extra. Replies to Box Number advertisements should be addressed Box No. . . . c/o ACCOUNTANCY, *23 Essex Street, London, W.C.2, unless otherwise stated. It is requested that the Box Number be also placed at the bottom left-hand corner of the envelope.*

APPOINTMENTS REGISTER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

Employers who have vacancies for members on their staffs and also members seeking new appointments are invited to make use of the facilities provided by the Institute's Appointments Register. No fees are payable. All enquiries should be addressed to the Appointments Officer, Moorgate Place, London, E.C.2. Tel. Monarch 8506.

OFFICIAL NOTICES

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS
FELLOWSHIP IN
MANAGEMENT ACCOUNTANCY

The Fellowship Examination is open to Associates of the Institute and to certain other qualified accountants who fulfil the required conditions, particulars of which can be obtained on application.

The examination will take place at the usual home centres on the 2nd, 3rd and 4th June, 1958. Entry forms (obtainable on application) must be lodged with the undersigned by not later than 10th April, 1958.

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ACCOUNTANTS required by NIGERIAN FEDERAL GOVERNMENT Marketing and Exports Department, on contract for tour of 12/24 months in first instance. Salary in scale (including Inducement Addition) £1,290 rising to £1,962 a year. Gratuity at rate of £150 a year. Outfit allowance £60. Free passages for officer and wife. Assistance towards children's passages and grant up to £150 annually towards maintenance in United Kingdom. Liberal leave on full salary. Candidates must possess recognised accountancy qualification and wide commercial accounting experience, including knowledge of Banking and Shipping practices. Write to the CROWN AGENTS, 4 Millbank, London, S.W.1. State age, name in block letters, full qualifications and experience and quote M1B/44460/AD.

APPLICANTS with the necessary experience requiring BETTER positions as Senior, Semi-senior and Junior AUDIT CLERKS should contact us. We have a good selection. Other Professional and Commercial posts available. HOLMES BUREAU, 10 Queen Street, E.C.4. City 1978.

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COST ACCOUNTANT required by NIGERIAN FEDERAL GOVERNMENT for Research Institute of Dept. of Commerce and Industries. Salary scale (including Inducement Addition) £1,728 rising to £1,962 a year. Gratuity at rate of £150 a year. Outfit Allowance £60. Appointment on contract for one tour of 12/24 months in first instance. Free passages for officer and wife. Assistance towards children's *and* grant up to £150 annually towards maintenance in U.K. Liberal leave on full salary. Candidates, not over age 35, *must* possess recognised accountancy qualification, preferably A.C.W.A., and be familiar with internal audit procedure. Industrial experience essential. Write to the CROWN AGENTS, 4 Millbank, London, S.W.1. State age, name in block letters, full qualifications and experience and quote M1B/43853/AD.

NAIROBI—Qualified Accountant, Chartered or Incorporated, required for Nairobi, Kenya, office of leading international firm of Accountants on four-year contract. Starting salary in range £1,300—£1,500 p.a. plus annual bonus. Passages both ways and four months' end of contract home leave. Applications, with full particulars, to Box No. 103 c/o ACCOUNTANCY.

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APPOINTMENTS VACANT

(Continued)

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SECRETARY-ACCOUNTANT: NIGERIA

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THE FEDERATION OF BRITISH INDUSTRIES have a vacancy for the post of Planning Manager for their subsidiary company, British Overseas Fairs Ltd., at a starting salary of £1,800—£2,000. Applications would be considered from Cost or other Accountants capable of combining the maintenance of running costings of overseas Fairs with the imaginative planning of programmes of ancillary public events. Past experience in the latter requirement is not expected, but applicants must be able to show their ability to create, co-ordinate and progress a complex programme of movements and operations. Experience in working overseas and knowledge of languages an advantage. The appointment would be based on London but short period visits overseas will be necessary.

Applications to MR. W. P. N. EDWARDS at 21 Tothill Street, London, S.W.1, by 28th February.

SENIOR INTERNAL AUDITOR is required by a Company located S.E. London/N.W. Kent engaged on light electrical engineering. It is preferred that applicants should have had Internal Audit experience and be capable of undertaking responsibility for day to day control of the Department. Write fully with details of experience and salary required to Box DL7147, A.K. ADVG., 212a Shaftesbury Avenue, London, W.C.2.

VACANCIES available for qualified Accountants in South America, West Indies, Rhodesia, Kenya, Far East and the Continent. Call BOOTH'S AGENCY, 80 Coleman St., Moorgate, E.C.2.

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